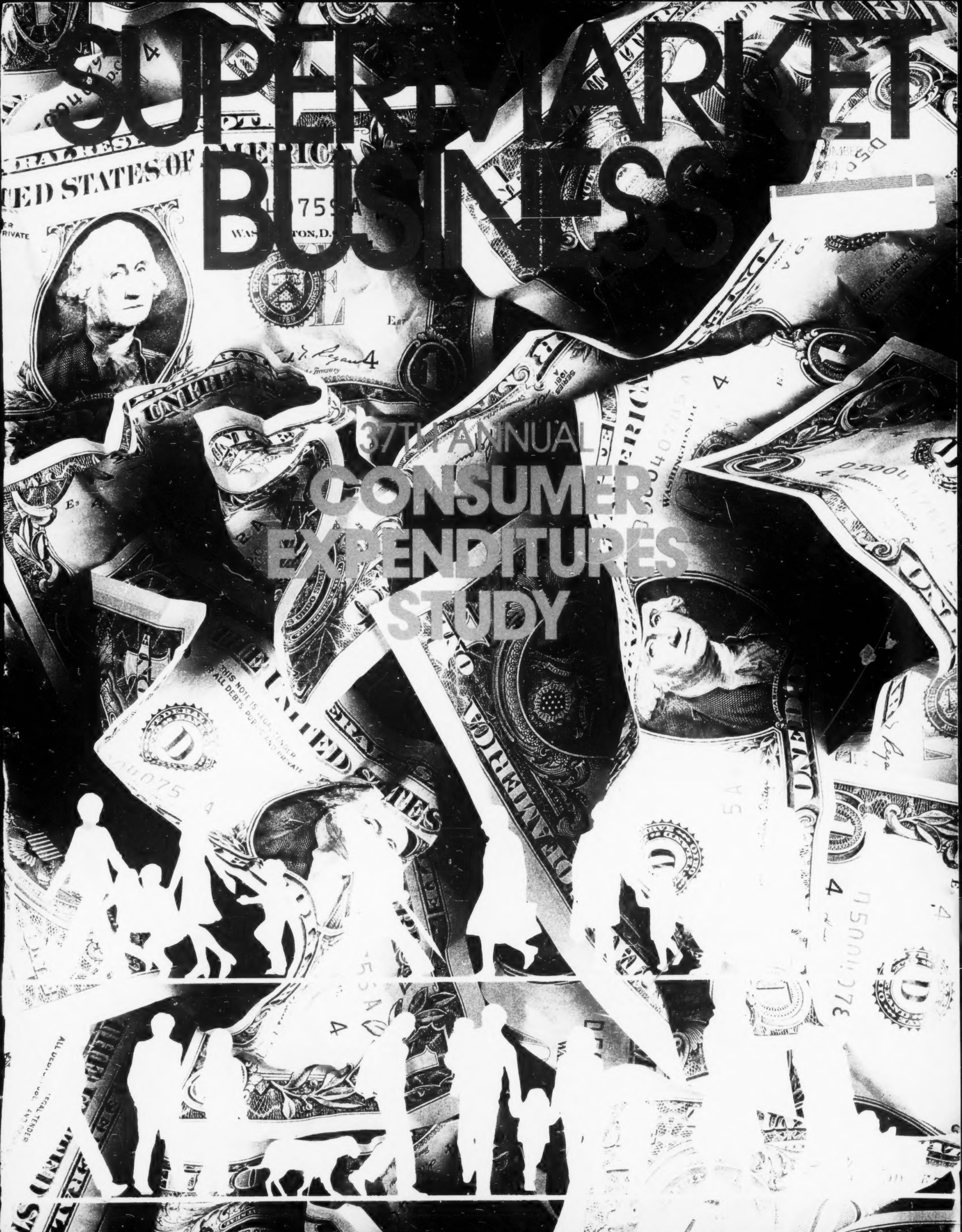
SUPERMARKET BUSINESS

37TH ANNUAL

CONSUMER EXPENDITURES STUDY



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37TH ANNUAL

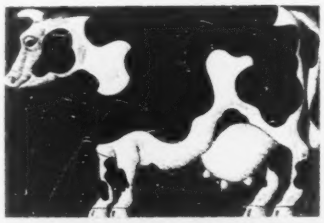
CONSUMER EXPENDITURES STUDY

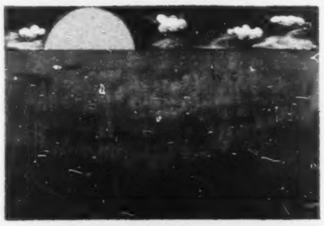
It was a good year for the supermarket industry in 1983. Total grocery store sales rose 4.5 percent, while prices rose only 1.1 percent, and the population grew just slightly over the year before. That meant a substantial amount of real sales growth.

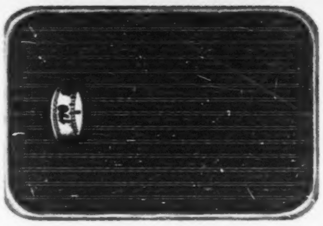
This 37th annual Consumer Expenditures Study (CES) is our largest ever. The study has been revised to make it both more easily readable and more useful. We've added 87 new products. We've also switched the locations of some products, to take into account either their growth or their importance in today's changing supermarket. Snacks, for example, has been moved from Baked Goods and added as a separate category.

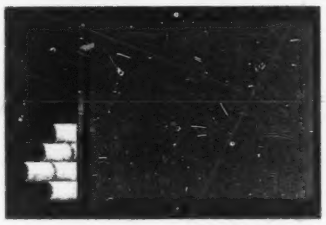
Another addition to the study is "Supermarket Performance." This listing begins on p. 56, as part of the "Highlights." Statistics here project total national supermarket sales and gross margin dollars, which are also shown as percentages of the total supermarket.

Leading up to the statistical tables are seven pages of introductory charts and tables that have been designed to give readers quick references to see how the various kinds of supermarkets performed last year, how supers performed against restaurants, and notable winners and losers in supermarket sales.









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H.E. BUTT'S 'FLEXIBLE STRENGTH' IN SAN ANTONIO, TEX.

There aren't too many cities like San Antonio, with its "civilian" and "military" markets. H.E. Butt is the leader here, with a market share nearly three times that of its nearest civilian competitor. Here's a look at how HEB does it.

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GROCERY STORES EKE OUT A LITTLE 'REAL' GROWTH AS FOOD PRICES STABILIZE

Last year prices were fairly stable—and so was consumer spending. But as the battle for the consumer food dollar continues to heat up, more supers are offering greater variety and more freshly made products.

BY NORMAN BUSSEL, RESEARCH

Grocery store sales reached $241 billion in 1983, an increase of only 4.5 percent but a real improvement over the flat 4.4 percent gain in 1982. The bright side in this performance was the inflation rate. Held to just 1.1 percent, versus 3.4 percent the year before, the Consumer Price Index for Food at Home registered the smallest gain in 16 years and grocery stores showed some actual, "real" growth in 1983 compared with an almost zero rate in 1982.

The 1983 return to more stable prices was helped by a 0.6 percent decline in the farm value of domestically grown foods—an increase of only 0.3 percent in prices for fish and imported foods—and a rise of only 1.4 percent in the farm-to-retail spread.

Another indication of a recovering economy was the gain in food tonnage, from 0.8 percent in 1982 to 3.5 percent in 1983. Per capita consumption increased by 10 pounds as Americans consumed more of every food group, except vegetables.

Among the products leading in tonnage increases were: powdered drink mixes (+20.9 percent), cold cereals (+13.6 percent), chilled orange juice (+11.4 percent) and yogurt (+11.0 percent).

Beef leads list in dollar sales

Beef topped the list of foods showing the greatest increase in dollar sales, capturing 8.74 percent of grocery store volume. Consumers purchased nearly 79 pounds of beef per person in 1983, a gain of two pounds over the previous year. A stimulus for the increased sales was the lower prices brought about by drought and hot weather conditions, which resulted in poor corn and soybean harvests. As feed prices rose sharply, livestock producers sent more cattle to market, thus lowering prices.

Poultry also made the list of products with large dollar increases, as per capita consumption rose 2.0 percent over 1982 levels. Pork consumption gained three pounds over 1982, while veal, lamb and mutton were practically unchanged.

Dairy products posted another sluggish year in 1983 with a sales increase of only 1.3 percent, while the Consumer Price Index rose by 1.2 percent. Per capita consumption of fluid milk and cream dropped 0.8 percent. Grocery store total cheese sales were down 0.4 percent from 1982. Natural cheese sales increased 4.9 percent, but this was not enough to offset the estimated 14.0 percent decline in per capita consumption of processed cheese to 6.6 pounds.

Leading the list of largest percentage increases in dollar sales was synthetic sweeteners, with a forward jump of 44.9 percent, as diet-conscious consumers reacted to the introduction of the new, non-saccharin sweetener, aspartame. Noncaloric and low-calorie sweeteners gained by 10.8 percent, while refined sugar declined 3.9 percent.

Instore Bakery and Service Deli, broken out for the first time this year in CES, showed increases in dollar sales of 19.1 percent and 15.6 percent, respectively. Leading items in Instore Bakery sales were: white bread and rolls (28.5 percent), variety bread and rolls (14.3 percent), and yeast-raised doughnuts (8.5 percent). The top items in Service Deli sales were: sliced meats (36.4 percent), cheese (16.7 percent), salads (11.7 percent) and fried/barbecued chicken (11.4 percent).

In the nonfood sector, cigarettes topped all other grocery store products in dollar sales increases with a total of almost

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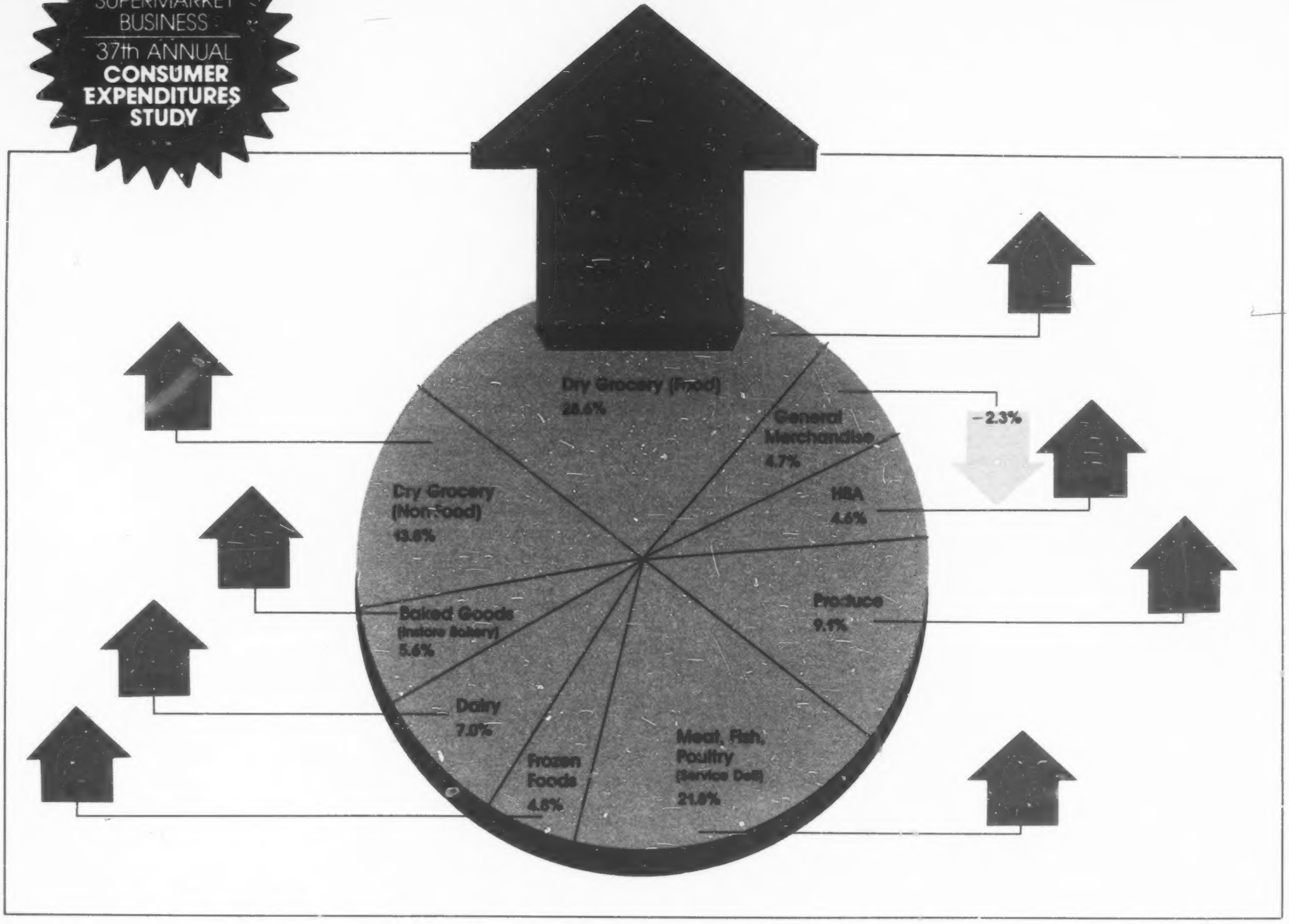

Grocery store sales were stable last year, inching up a mere 4.5 percent, just a tenth of a percentage point more than 1982's sales gain. Just about every category in the store continued to perform better than the year before, with one exception—general merchandise. Its percentage of store sales dropped more than one percent. Produce continues its strong hold on sales, as does meat, fish and poultry. A lot more of the sales in this category are now coming from poultry.

METHODOLOGY

In terms of size, this 37th Annual Edition of the Consumer Expenditures Study is the largest ever published. We've added 87 new products, bringing the total number of items in the survey to more than 650. We've also made numerous changes in product location, changes that we feel will make the study more comprehensive and easier to use. For example, Snacks have been moved from Baked Goods and established as a separate category; Infant Cereals have been moved from Cereals to Baby Foods; Automobile Polish has been moved from Waxes & Polishes to Auto Supplies and Baking Nuts added to the Baking Needs section.

As it has been for the past 37 years, this issue of SB's Consumer Expenditures Study is a product of consensus rather than census. Our "staff of correspondents," a veritable "Who's Who" in the grocery industry, is comprised of leading manufacturers, packers, importers, bottlers, trade associations, marketing and management companies, advertising agencies, and, of course, major chains and wholesalers.

Respondents to our questionnaires were supplied with the sales estimates from the 36th Annual CES (1982) for the product lines in which they specialize. We asked them to indicate the percent change in retail sales for their products in all outlets and through grocery stores alone. They also had the option to adjust previous sales figures according to their knowledge of the market.

Whenever the estimates of our respondents differed significantly, they were questioned further until the reasons for the variations were resolved. The differences were usually the result of problems with definition or interpretation of questions. After adjustments were made, the reported percent changes were averaged and applied against our 1982 figures, giving us estimates for 1983.

Other sources we wish to acknowledge for their contributions to the study include: U.S. Department of Commerce, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, Census of Manufacturers, and USDA Foreign Agricultural Service.

OUR DEFINITIONS OF GROCERY STORES

Definitions: Some of the following terms are referred to in this report. To assist interpretations of our findings, they are listed below:

Supermarket—Complete, full-line self-service food markets with a minimum volume of $2 million per year.

Superette—Self-service or service food stores handling groceries, meats and produce, with annual sales of $1 million to $2 million.

Convenience Store—Bantam or small food stores, usually open extended hours and selling a limited line of fast-moving items.

All Other Food Stores—Small (less than $1 million annual sales) general food stores and specialty food stores whose major line may be meat, dairy, produce or general groceries, or food stores not classified above.

Chain—An operator of four or more food retailing stores, regardless of individual dollar volume.

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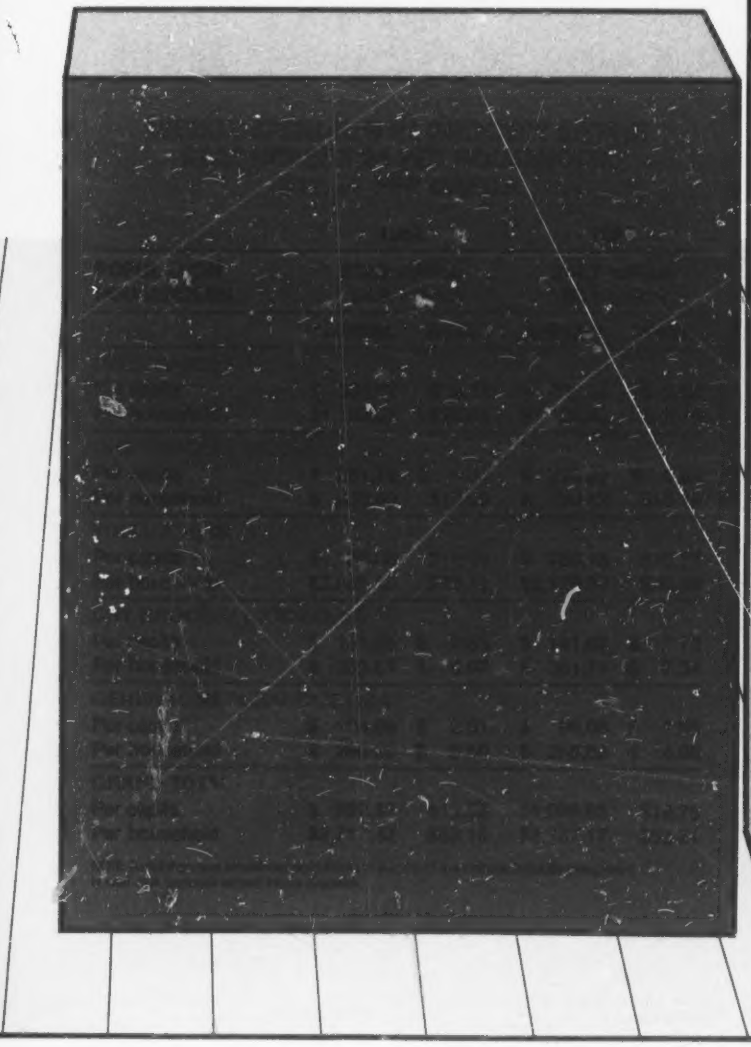
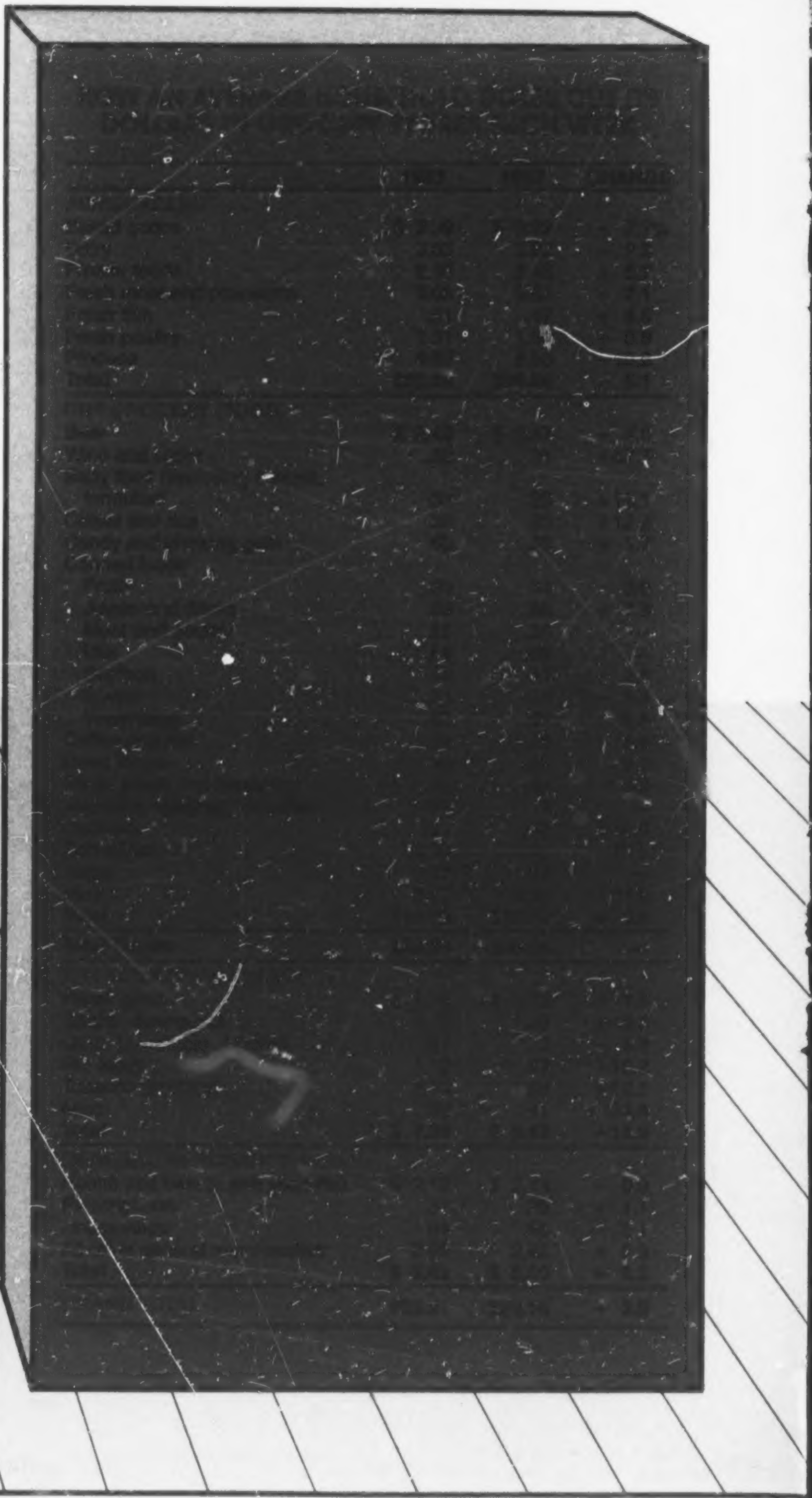
In 1983, the average household spent $53.21 each week in grocery stores, just about a dollar more than it spent in 1982. Consumers spent more on dry grocery nonfoods at grocery stores, but less on general merchandise. They also spent a bit less on perishables.

People continued to spend more money than in the past at grocery stores: dry grocery, nonfood and HBA categories showed strong increases in weekly purchases per household last year.

Consumers seemed to spend less on fresh produce last year. But they still moved toward more healthful foods, since there were good sales for pasta products and a decline in desserts.





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second at $701.6 million and routine infant formulas was third at $641.0 million.

Among HBA products losing ground were: dieting aids (−1.6 percent), women's hair dressings and conditioners (−3.2 percent), and razors (−12.4 percent).

Supers make plans for beating out—eating out

Although food stores are America's largest retail industry, accounting for 22.4 percent of all retail sales, some ground was lost in 1983 to eating and drinking places, which rang up a hefty 11.2 percent sales gain to claim a 10.2 percent share.

Projections for continued growth in consumer spending for food away from home, particularly in fast food outlets, have spurred grocery retailers to explore ways to stem the erosion of sales to eating places.

Some of the ways that supermarkets are battling for share include the installation of service deli and instore bakery operations in more of their stores. In 1983, the percent of supermarkets offering service deli rose to 55.0 percent, a 6.2 percent incr[illegible] while the percent of sto[illegible] with instore bakery reached 54.0 percent of all supers, a 10.9 percent gain.

As the battle for the consumer's food dollar continues to heat up, more supers will offer fresh seafood, freshly prepared and ready-to-eat foods, frozen prepared foods for quick heating in microwave ovens, domestic and imported cheeses, juice bars, natural foods, and a larger variety of salads. It is difficult to predict all of the strategies grocery retailers will employ to increase their market share, but one thing is certain—the American consumer will enjoy more variety and convenience in food shopping than ever before. ■

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CATEGORIES THAT INCREASED IN SALES IN 1983

LARGEST PERCENT INCREASES IN DOLLAR SALES

RANK	CATEGORY	1982 GROCERY STORE SALES (000)	% INCREASE	% OF STORE VOLUME
1	Synthetic Sweeteners	179,100	44.9	.07
2	Contact Lens Solution	23,690	34.2	.01
3	Bulk Laxatives	[illegible]	28.3	*
4	Mascara	152,350	24.7	.06
5	Pre-Moistened Wipes	81,600	23.6	.03
6	Deodorant Sticks	203,720	[illegible]	.09
7	Eye Shadow	189,470	[illegible]	.08
8	Powdered Drink Mixes	756,940	22.7	.31
9	Semi-Moist Cat Food	237,660	21.8	.10
10	Dental Floss	23,130	21.4	.01

LARGEST VOLUME INCREASES IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES INCREASE (000)	% INCREASE	% OF STORE VOLUME
1	Cigarettes	1,281,500	16.9	4.05
2	Beef	771,470	3.8	8.74
3	Service Deli	619,320	15.6	1.90
4	Cold Cereals	565,820	19.6	1.41
5	Instore Bakery	521,430	19.1	1.36
6	Beer	460,520	4.4	4.53
7	Fresh Vegetables	316,940	2.5	5.42
8	Other Bottled Soft Drinks	285,640	7.4	1.72
9	Fresh Poultry	279,640	5.1	2.39
10	Fresh Fruit	262,470	3.0	3.72
11	Disposable Diapers	175,690	11.1	.76
12	Crackers, Biscuits, Cookies	169,880	4.7	1.57
13	Fresh Fish & Seafood	161,600	7.8	.93
14	Frozen Dinners	159,720	15.3	.50
15	Prescriptions	157,160	12.5	.51
16	Yogurt	150,720	14.3	.50
17	Wine	142,560	7.7	.83
18	Powdered Drink Mixes	140,030	22.7	.31
19	Chilled Orange Juice	139,010	13.7	.48
20	Packaged Bacon	131,680	6.1	.96

HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES INCREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Cigarettes	+15.9%	+20.8%	−4.1%
Cold cereals	+19.6	+5.3	+13.6
Disposable diapers & liners	+11.1	+1.0	+10.0
Frozen dinners	+15.3	+4.3	+10.5
Powdered drink mixes	+22.7	+1.5	+20.9
Chilled orange juice	+13.7	+2.1	+11.4
Yogurt	+14.3	+3.0	+11.0
Prescriptions	+12.5	+10.9	+1.4
Wine	+7.7	+0.1	+7.6
Fresh fish & seafood	+7.8	+3.3	+4.4
Fresh poultry	+5.1	+1.2	+3.9
Beer	+4.4	+5.8	−1.3

*Based on BLS Consumer Price Index

CATEGORIES THAT DECREASED IN SALES IN 1983

1	Home Canning Jars	36,710	−22.5	.02
2	Caps, Lids and Bands	49,180	−18.9	.02
3	Dried Beans & Peas	244,220	−13.8	.10
4	Dried Toppings	20,800	−13.7	*
5	Razors	14,630	−12.4	*
6	Semi-Moist Dog Food	236,520	−12.2	.10
7	Flash Bulbs & Cubes	51,490	−11.4	.02
8	Breakfast Drinks	137,350	−11.3	.06
9	Stockings	8,640	−10.1	*
10	Fireplace Logs	42,790	−9.8	.02

CATEGORIES THAT DECREASED IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES (000)	% DECREASE	% OF STORE VOLUME
1	Processed Cheese	95,640	−5.2	.73
2	Fresh Milk	71,570	−1.2	2.44
3	Peanut Butter	56,030	−6.1	.35
4	Dried Beans & Peas	39,100	−13.8	.10
5	Semi-Moist Dog Food	32,870	−12.1	.10
6	Margarine	32,750	−2.1	.63
7	Butter	29,200	−3.2	.37
8	Family Flour	24,290	−4.7	.20
9	Breakfast Drinks	17,500	−11.3	.06
10	Canned Fruit	12,430	−.8	.61

HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES DECREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Peanut butter	−6.1%	−2.5%	−3.5%
Processed cheese	−5.2	+1.7	−6.8
Butter	−3.2	+1.2	−4.3
Family flour	−4.7	+0.6	−5.3
Semi-moist dog food	−12.1	+3.3	−14.9
Dried beans & peas	−13.8	−1.3	−12.3

*Based on BLS Consumer Price Index

Many of the categories that had the highest percentage increases in 1983 did so from modest bases. Synthetic sweeteners, for instance, which had a 44.9 percent increase in dollar sales, represents only .07 percent of store volume. The largest volume increases, of course, represent a greater share of store sales. Here, cigarettes were the winners, owing a lot to price increases. Two areas that have grown in importance lately at stores did well: service deli and instore bakery.

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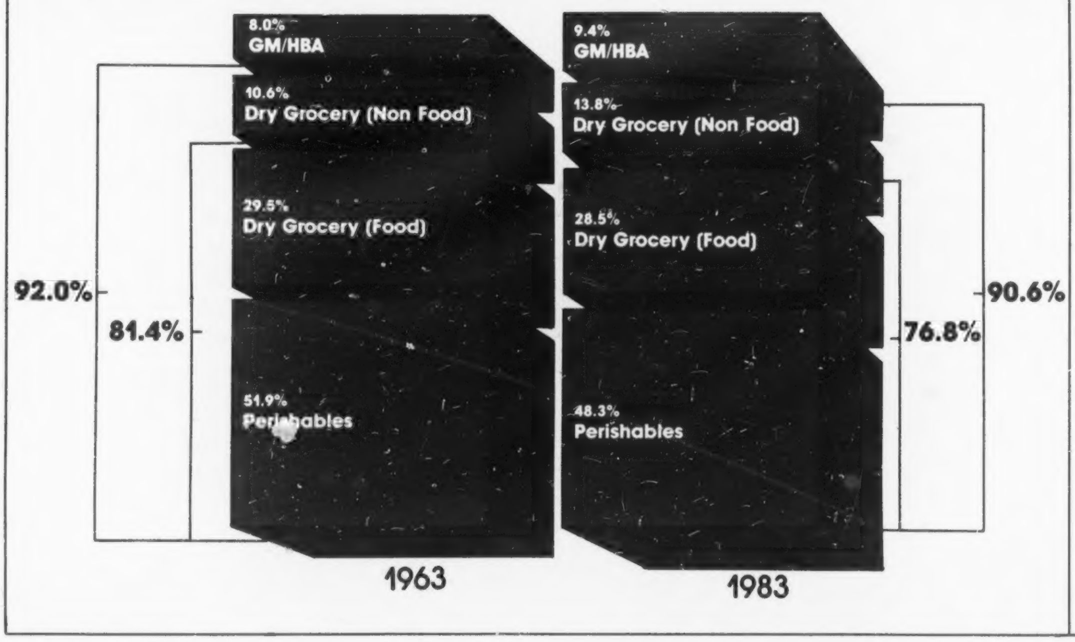
SOME SIGNIFICANT SHIFTS OVER 20 YEARS



If you think you've been spending less on perishables over the years, you're right. Over the past 20 years perishables, which used to account for over 50 percent of store sales now make up 48.3 percent. A lot of the shift came from an increase in the nonfoods area, especially dry groceries.

A 15-YEAR PERSPECTIVE ON HOW FOOD PRODUCTS SELL IN GROCERY STORES

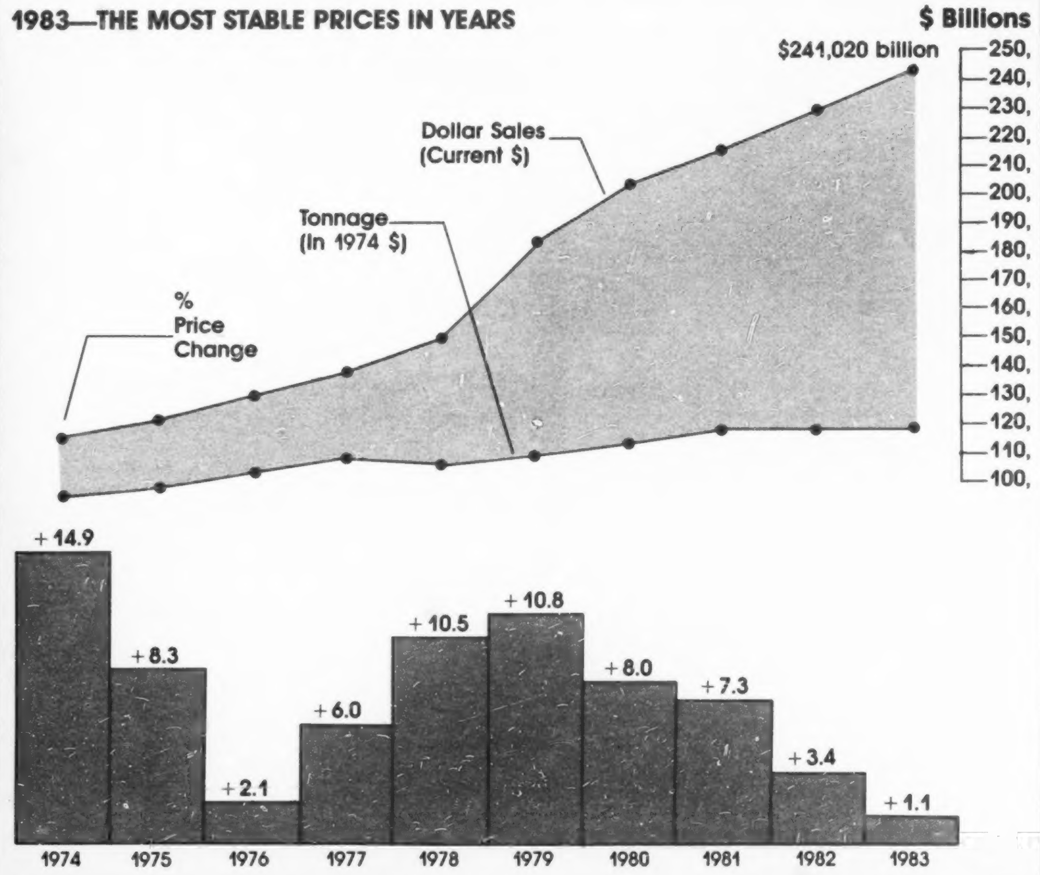
	1968	1973	1978	1983
PERISHABLES ($ millions)	**$38,542**	**$53,921**	**$ 82,791**	**$116,402**
Baked goods	8.74%	7.24%	7.81%	7.31%
Dairy	8.30	8.21	9.64	9.12
Frozen foods	6.32	6.74	6.17	6.21
Fresh meat, fish, poultry	28.65	29.82	28.10	28.31
Produce	13.11	13.93	13.95	11.89
Total	65.12%	65.94%	65.67%	62.84%
DRY GROCERY (FOOD) ($ millions)	**$20,644**	**$27,856**	**$ 43,275**	**$68,819**
Baking needs	.06%	.04%	.04%	1.42%*
Alcoholic beverages	6.34	6.61	6.54	7.14
Prepared beverages	3.68	3.74	5.27	3.93
Soft drinks	2.75	2.88	3.22	3.38
Confectionery	1.41	1.30	1.38	1.48
Canned foods	9.14	8.05	7.51	8.31
Cereals, flour, macaroni	3.44	3.32	3.36	2.56**
Condiments, dressings	2.21	2.04	2.17	2.54
Desserts	.26	.22	.19	.28
Dried foods	1.41	1.46	1.51	1.20
Fats and shortenings	1.72	1.73	.92	.82
Jams, jellies and preserves	.48	.43	.47	1.01
Sweeteners, flavors	1.36	1.20	1.30	1.23
All other foods	.62	1.04	.45	1.86
Total	34.88%	34.06%	34.33%	37.16%
TOTAL FOODS ($ millions)	**$59,186**	**$81,777**	**$126,066**	**$185,221**
	100.0%	100.0%	100.0%	100.0%

*Includes flour **Excludes flour

It may not look like there's been any significant change, over the past 15 years, on how food products sell in grocery stores, but the figures don't represent individual movement within the categories. In the fresh meat, fish, and poultry area, for instance, the price seems to be constant, but that doesn't tell the real story—the amazing growth of poultry and the rise in fresh fish sales at supermarkets, along with a decline in red meat consumption.

The figures shown here represent shares of dollar sales, so the real changes in share of tonnage have been distorted by varying rates of price increases.

1983—THE MOST STABLE PRICES IN YEARS



The meager price rise of 1.1 percent in 1983, coupled with the low rise in 1982, was a great relief for the consumer. Shoppers must have enjoyed going to the supermarket more, since there was some real sales growth—$241,000 billion—up significantly from the year before.

Tonnage did not increase as much as the dollar sales over the years, of course, since sales figures were inflated by high prices.

The larger supermarkets and super stores continue to lead the field in food store sales volume, at the expense of the smaller superettes. Sales at grocery stores of under $1 million a year were static but still relatively healthy. Sales at specialty food stores were constant, after a period of growth in the early 1980s, as more shoppers now use these stores for fill-ins between visits to big stores.

TABLE 1A—FOOD STORE SALES—BY SIZE OF STORE

	SALES (000)		PERCENT OF VOLUME	
	1982	1983	1982	1983
SUPERMARKETS over $2 million	$171,578,000	$182,783,560	67.9%	69.3%
SUPERETTES $1 million to $2 million	$ 15,064,033	$ 15,199,400	6.0	5.8
OTHER GROCERY STORES under $1 million	$ 43,998,967	$ 43,037,040	17.4	16.3
Total Grocery Stores	$230,641,000	$241,020,000	91.2	91.4
Specialty Food Stores[2]	$ 22,159,000	$ 22,580,000	8.8	8.6
TOTAL FOOD STORES	$252,800,000	$263,600,000	100.0%	100.0%

[1] Includes convenience stores and other small grocery stores.

[2] Includes meat, seafood, fruit and vegetable markets, confectionery, bakery, dairy and other food stores.

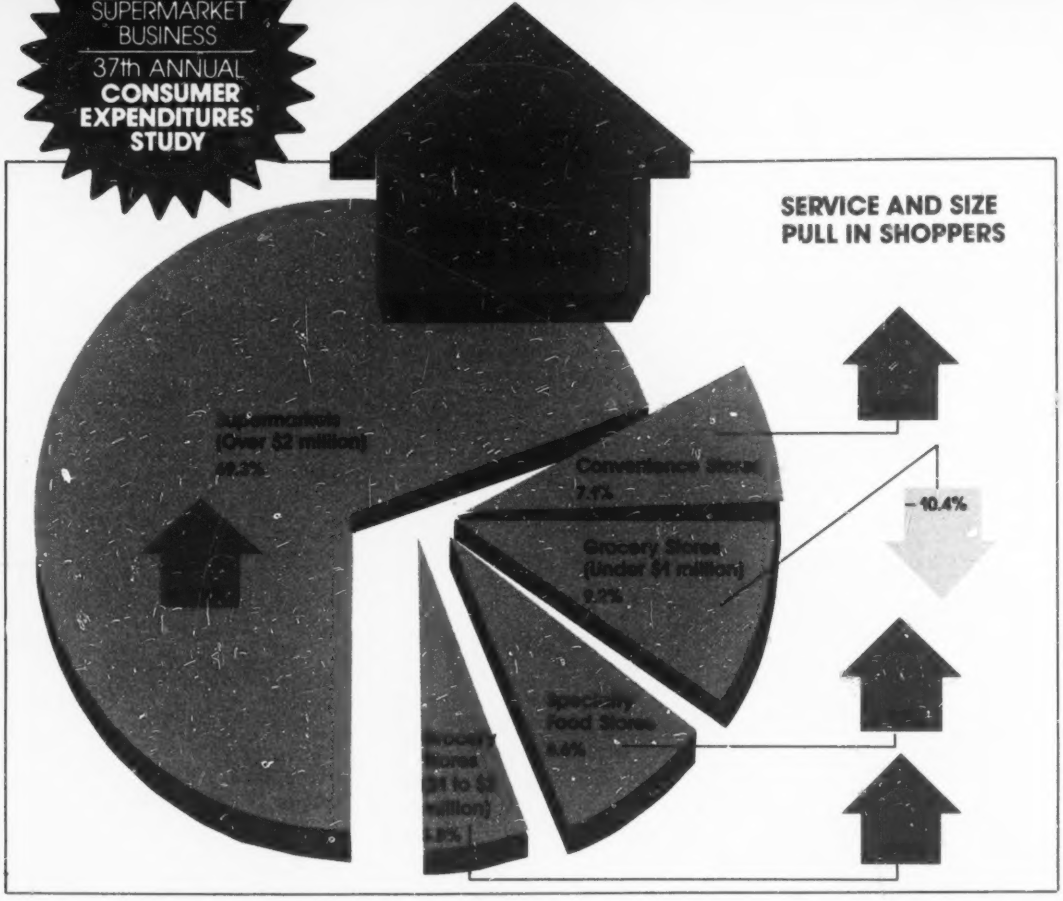
TABLE 1B—FOOD STORE SALES—BY AFFILIATION

	SALES (000)		PERCENT OF VOLUME	
	1982	1983	1982	1983
Independent Grocery Stores	$ 76,590,491	$ 85,439,264	30.3%	32.4%
Chain Grocery Stores	$154,050,509	$155,580,736	60.9	59.0
Total Grocery Stores	$230,641,000	$241,020,000	91.2	91.4
Specialty Food Stores	$ 22,159,000	$ 22,580,000	8.8	8.6
TOTAL FOOD STORES	$252,800,000	$263,600,000	100.0%	100.0%

SUPERMARKET BUSINESS

37th ANNUAL

CONSUMER EXPENDITURES STUDY



SERVICE AND SIZE PULL IN SHOPPERS

The remarkable growth in sales at specialty stores a couple of years ago has now stabilized, but still represents a healthy chunk of business, especially compared to the sales at smaller grocery stores. The towering sales at the newer, enormous super stores continue to rise. More stores have room for homier touches such as specialty service departments—the personal touch that customers are searching for outside, in those specialty stores, and inside, in the super store.

Prices were the most stable since 1976, and last year marked the second year in a row of good food prices—after a long time of headache-causing inflation.

THE YEAR SUPERMARKET PRICES LEVELED OFF

*Source: Bureau of Labor Statistics, Consumer Price Index—Not available

	Percent Change 1983	Percent Change 1982
Food	+ 2.1	+ 4.0
Food Away From Home	+ 4.4	+ 5.3
Food at Home	+ 1.1	+ 3.4
Food and Beverages	+ 2.2	+ 4.1
Cereals & Bakery	+ 3.2	+ 4.5
Bread, white	+ 3.3	+ 3.9
Other bread	+ 2.7	+ 4.0
Cookies	+ 3.7	+ 5.6
Cakes, cupcakes	+ 4.2	+ 4.7
Flour, prepared mixes	+ 0.6	+ 1.5
Fresh Beef	—	—
Sirloin steak	– 0.2	+ 1.0
Hamburger	– 2.6	– 0.5
Chuck roast	– 3.1	+ 0.7
Pork	– 0.9	+ 12.9
Chops	– 0.8	+ 10.4
Bacon	– 2.1	+ 22.6
Sausage	– 0.3	+ 11.4
Canned ham	+ 2.2	+ 8.0
Other Meats	—	—
Frankfurters	– 0.9	+ 4.2
Bologna, liverwurst, salami	+ 0.4	+ 4.4
Beef & veal	– 1.5	+ 1.4
Poultry	+ 1.2	– 1.8
Fresh whole chicken	+ 1.6	– 1.8
Fresh & frozen chicken parts	+ 1.8	– 1.8
Other poultry	– 0.1	– 1.6
Fish & Seafood	+ 1.2	+ 3.6
Canned fish	– 2.6	+ 0.3
Fresh & frozen fish and seafood	+ 3.3	+ 5.7
Dairy Products	+ 1.2	+ 1.4
Fresh whole milk	+ 0.7	+ 0.5
Butter	+ 1.2	+ 2.3
Eggs	+ 4.7	– 2.8
Cheese	+ 1.7	+ 2.6
Ice cream & related products	+ 1.9	+ 2.1
Other dairy products	+ 3.0	+ 2.9
Fresh Fruits & Vegetables	– 0.3	+ 5.5
Apples	– 4.2	+ 17.1
Bananas	+ 10.3	– 1.6
Oranges	– 20.4	+ 28.2
Potatoes	– 1.5	– 15.3
Lettuce	+ 2.5	+ 19.3
Tomatoes	+ 7.7	– 1.2
Processed Fruits	+ 1.5	+ 5.4
Frozen fruit & fruit juices	– 1.7	+ 3.9
Other fruit juices	+ 2.1	+ 5.3
Canned & dried fruits	+ 3.4	+ 6.7
Processed Vegetables	+ 0.4	+ 5.3
Frozen vegetables	+ 4.0	+ 10.3
Cut corn & canned beans except lima	0.0	+ 5.5
Other canned & dried vegetables	– 1.3	+ 2.7
Sugar & Sweets	+ 1.9	– 0.2
Candy & chewing gum	+ 0.8	+ 3.2
Sugar & artificial sweeteners	+ 3.6	– 9.2
Other sweets	+ 2.1	+ 4.9
Fats & Oils	+ 1.3	– 2.8
Margarine	+ 1.0	+ 0.8
Other fats, oils & salad dressings	+ 3.5	– 0.4
Non-dairy substitutes & peanut butter	– 2.5	– 11.3
Beverages	+ 1.9	+ 2.8
Cola drinks except diet cola	+ 2.5	+ 2.9
Carbonated drinks including diet cola	+ 2.4	+ 2.2
Other non-carbonated drinks	+ 1.5	+ 3.7
Roasted coffee	– 1.4	+ 2.9
Freeze-dried instant coffee	+ 2.0	+ 1.9
Alcoholic Beverages	+ 3.8	+ 4.5
Beer & ale	+ 5.8	+ 4.7
Whiskey	+ 2.2	+ 3.9
Wine	+ 0.1	+ 4.3
Other Prepared Foods	+ 3.1	+ 5.2
Canned, packaged soup	+ 3.4	+ 3.5
Frozen prepared foods	+ 4.3	+ 3.4
Snacks	+ 3.6	+ 3.9
Seasonings, olives, pickles, relish	+ 3.8	+ 8.2
HOUSEKEEPING SUPPLIES	+ 3.3	+ 6.3
Soaps & detergents	+ 4.7	+ 6.3
Other laundry, cleaning products	+ 4.6	+ 7.9
Paper towels, napkins, tissues	+ 1.0	+ 5.4
TOBACCO PRODUCTS	+ 19.5	+ 11.2
Cigarettes	+ 20.8	+ 11.7
Other tobacco products & accessories	+ 6.8	+ 7.2
HEALTH & BEAUTY AIDS	—	—
Prescriptions	+ 10.9	+ 11.7
Hair products	+ 5.5	+ 8.1
Dental & shaving products	+ 7.1	+ 9.7
Cosmetic, bath & nail products, manicure & eye makeup implements	+ 6.1	+ 8.4
Other toilet goods	+ 4.9	+ 7.1
GENERAL MERCHANDISE		
Newspapers	+ 6.7	+ 8.0
Stationery & supplies	+ 4.4	+ 6.8
Magazines, books	+ 7.8	+ 11.9
Photo supplies	+ 1.6	+ 3.4
Motor oil, coolant & other products	– 3.3	– 5.1

SUPERMARKET BUSINESS
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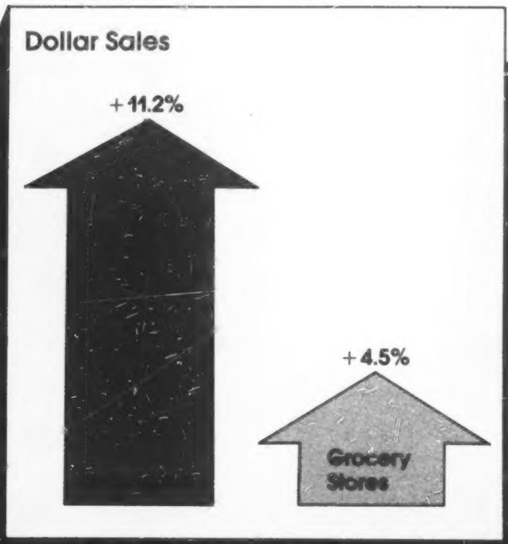
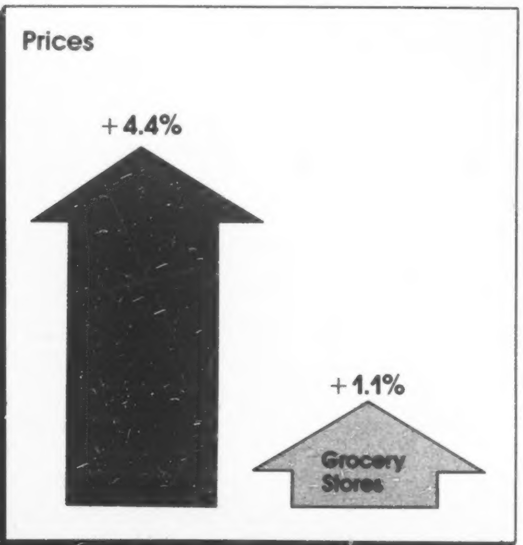
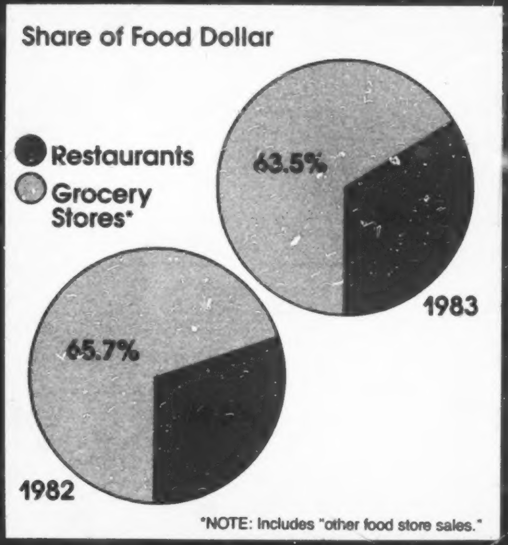
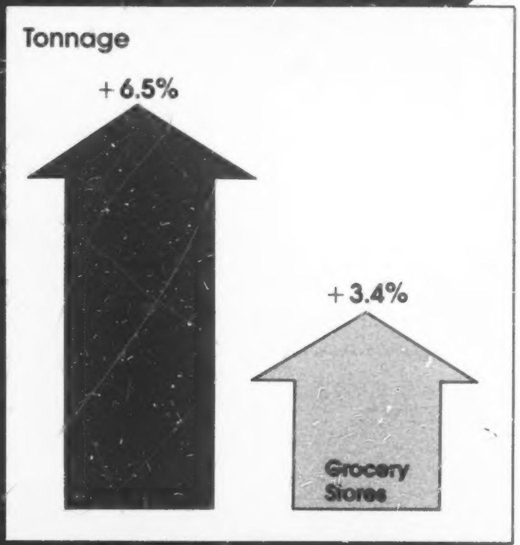






*NOTE: Includes "other food store sales."



DINING OUT STILL BEATS EATING AT HOME

Although restaurant prices rose 4.4 percent over 1982, while grocery store prices rose just 1.1 percent, more people preferred dining out. And despite the price increase, tonnage was up substantially at restaurants, compared with 1982. The growing work force prefers to dine out, and the fairly healthy economy has provided people with the money to do so.

GROCERY STORE SALES

	1983 SALES (MILLION)	PERCENT OF TOTAL	CHANGE VS. 1982
ALL RETAIL STORES	**$1,173,692**	**100.0%**	**+ 9.1%**
Specialty food stores	22,580	1.9	+ 1.9
Eating and drinking places	119,367	10.2	+11.2
Liquor stores	19,190	1.6	+ 0.8
GROCERY STORES	**241,020**	**20.5**	**+ 4.5**
General merchandise group	141,587	12.1	+ 7.8
Apparel group	54,791	4.7	+ 5.4
Drug and proprietary stores	38,992	3.3	+ 8.8
Motor vehicle dealers	221,175	18.8	+21.3
Gasoline service stations	104,301	8.9	− 0.3
Furnishings, appliances	51,974	4.4	+11.7
Building supply, hardware stores	56,604	4.8	+15.6
All other retail stores	102,111	8.7	−28.5

GROCERY STORE SALES TRENDS: 1983*

Number of Grocery Stores	164,820
Sales (000)	$241,020,000
Sales per store	$ 1,462,323
U.S. Population (000)	234,700
"People" per store	1,424
Number of Grocery Stores	
Over $2,000,000	28,890
$1,000,000-$2,000,000	10,091
$500,000-$1,000,000	13,779
$500,000 or more	52,760
All other	112,060
Sales (000)	
Over $2,000,000	$182,783,560
$1,000,000-$2,000,000	15,199,400
$500,000-$1,000,000	10,681,305
$500,000 or more	$208,664,265
All other	$ 32,355,735
Sales per Store	
Over $2,000,000	$ 6,326,880
$1,000,000-$2,000,000	1,506,233
$500.000-$1,000,000	775,187
$500,000 or more	$ 3,954,971
All other	$ 288,736
Sales—% of Total Grocery Sales	
Over $2,000,000	75.8%
$1,000,000-$2,000,000	6.3
$500,000-$1,000,000	4.4
$500,000 or more	86.5%
All other	13.5%
Chains (4 or more stores)	36,356
Total Sales (000)	$155,580,736
Sales per store	$ 4,279,369
% of Total Sales	64.6%
All other stores	128,464
Total sales (000)	$ 85,439,264
Sales per store	$ 665,083
% of Total Sales	35.4%

*Grocery store sales reported by U.S. Dept. of Commerce

Grocery stores still have the largest chunk of sales among retail stores; people do have to eat. And they like to eat specialty foods and they like to eat out, as sales at restaurants continued to rise. Sales at specialty food stores have been stable and healthy.

HIGH LIGHTS

SUMMARY OF 1983 SALES OF FOOD STORE PRODUCTS

(add 000 to all dollar figures)

PRODUCTS	1983				5 Percentage Change From '82 to '83		1982				6
	1 Value[1] of Total Domestic Consumption	2 Amount Spent in Grocery Stores[2]	3 % of Total Store	4 % Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Grocery Tonnage 1983 vs. 1982
PERISHABLES	$177,852,060	$116,401,790	48.30	65	3.5	4.3	$171,854,530	$111,634,240	48.40	65	—
Baked Goods	16,462,000	10,296,390	4.27	63	3.2	3.6	15,950,810	9,942,330	4.31	62	− .4
Instore Bakery	3,251,430	3,251,430	1.35	100	19.1	19.1	2,730,000	2,730,000	1.18	100	+15.0
Dairy	33,369,280	16,896,450	7.01	51	.4	1.3	33,233,110	16,679,640	7.23	50	+ .1
Frozen Foods	15,966,670	11,499,560	4.77	72	5.7	5.7	15,112,290	10,876,560	4.72	72	+1.4
Fresh Meat, Fish, Poultry	71,154,020	47,841,160	19.85	67	3.7	4.0	68,582,560	45,986,660	19.94	67	+4.3
Service Deli	4,589,320	4,589,320	1.90	100	15.6	15.6	3,970,000	3,970,000	1.72	100	+15.1
Produce	33,059,350	22,027,470	9.14	67	2.4	2.7	32,275,760	21,449,060	9.30	66	+2.4
DRY GROCERY (FOOD)	$111,961,140	$68,819,450	28.55	61	4.0	5.2	$107,711,450	$ 65,425,110	28.37	61	—
Baking Needs	2,943,640	2,625,360	1.09	89	− .4	.0	2,955,230	2,625,910	1.14	89	+3.4
Beer, Wine, Liquor	35,742,450	13,222,780	5.49	37	2.2	4.9	34,973,290	12,608,930	5.47	36	+1.1
Beverages (Prepared)	9,139,710	7,282,370	3.02	80	2.2	2.6	8,945,900	7,096,980	3.06	79	+ .9
Beverages (Soft Drinks)	10,969,900	6,257,290	2.60	57	6.9	7.1	10,264,200	5,843,760	2.53	57	+4.6
Candy & Chewing Gum	7,978,680	2,733,970	1.13	34	4.2	4.4	7,655,180	2,618,620	1.14	34	+3.4
Baby Foods	1,752,2[illegible]	1,479,150	.61	84	9.2	9.9	1,604,340	1,345,480	.56	84	+8.2
Canned Fish & Other Canned Seafood	2,048,1[illegible]	1,800,900	.75	88	.7	.6	2,033,600	1,790,380	.78	88	+3.2
Canned Fruits	1,719,470	1,474,530	.61	86	−1.0	− .8	1,736,660	1,486,960	.64	86	+3.4
Canned & Bottled Juices and Fruit Drinks	3,069,600	2,666,710	1.11	87	8.9	9.2	2,818,690	2,442,370	1.06	87	+6.9
Canned Meat & Specialty Foods	2,016,580	1,495,090	.62	74	4.2	4.1	1,935,090	1,436,950	.62	74	+5.3
Canned Milk	479,840	416,900	.17	87	.2	.3	478,830	415,500	.18	87	−2.6
Canned Poultry	105,420	95,850	.04	91	5.9	6.4	99,550	90,090	.04	90	+6.5
Canned Prepared Foods	1,430,760	1,309,450	.54	92	6.9	7.6	1,338,820	1,217,560	.53	91	+5.9
Canned & Dry Soups	1,856,690	1,724,150	.72	93	8.0	8.5	1,719,230	1,589,070	.69	92	+4.9
Canned Vegetables	3,327,470	2,924,520	1.21	88	1.5	1.8	3,278,790	2,874,280	1.25	88	+1.4
Breakfast Foods	4,113,140	3,900,940	1.62	95	16.4	17.3	3,532,870	3,325,960	1.44	94	+11.4
Pasta	1,128,230	848,340	.35	75	1.4	1.5	1,112,760	836,710	.36	75	+3.7
Condiments, Dressings, Spreads, Relishes	5,919,110	4,701,710	1.95	79	6.1	6.2	5,577,900	4,427,160	1.92	79	+2.3
Desserts	601,970	526,820	.22	88	.7	.7	598,110	523,150	.23	87	−1.4
Dried Foods	2,850,660	2,224,980	.92	78	.2	1.7	2,844,330	2,187,820	.95	77	− .4
Fats & Shortenings	1,888,630	1,512,770	.63	80	3.6	4.2	1,823,400	1,452,220	.63	80	+2.9
Jams, Jellies & Preserves	2,320,880	1,869,190	.78	81	−2.4	−2.1	2,378,440	1,909,460	.83	80	−4.1
Snacks	6,339,420	3,880,110	1.61	61	5.3	5.6	6,020,270	3,673,250	1.59	61	+1.9
Sweeteners, Flavors	2,774,700	2,269,990	.94	82	4.6	5.1	2,653,820	2,160,730	.94	81	+1.4
All Other Dry Groceries	424,560	405,060	—	—	—	—	197,250	172,420	—	—	—
Duplication (Subtract)	−980,810	−829,480	−3.4	—	—	—	−863,460	−726,600	− .32	—	—
Total Foods	$289,813,200	$185,221,230	76.85	64	3.7	4.6	$279,565,970	$177,059,360	76.77	63	—
DRY GROCERY (NON-FOOD)	$ 50,865,670	$ 33,249,390	13.80	65	7.5	6.2	$ 47,338,640	$ 31,298,870	13.57	66	
Household Supplies	12,460,260	9,457,690	3.92	76	6.3	6.9	11,727,100	8,850,070	3.84	75	+2.3
Paper/Plastic/Foil	9,434,610	8,061,850	3.34	85	4.6	4.3	8,999,560	7,729,020	3.35	86	+3.4
Pet Foods	5,503,680	5,062,820	2.10	92	6.3	6.9	5,177,700	4,736,870	2.05	91	+3.5
Tobacco Products	22,658,030	9,900,850	4.11	44	14.0	15.3	19,883,050	8,588,490	3.72	43	−3.5
All Other Groceries n.c.e.	809,090	706,190	—	—	—	—	1,551,230	1,394,420	—	—	—
HEALTH & BEAUTY AIDS (NON-Rx)	$ 25,798,080	$9,589,600	3.98	37	8.4	4.1	$ 23,800,760	$ 9,213,340	3.99	39	−1.6
PRESCRIPTIONS	$ 17,764,930	$ 1,414,480	.59	6	11.9	12.5	$ 15,875,720	$ 1,257,320	[illegible]	6	+1.4
GENERAL MERCHANDISE	nd	$ 11,545,300	4.79	nd	nd	−2.3	nd	$ 11,812,120	5.12	nd	—
Flashlights & Batteries	2,794,210	422,280	.18	15	8.2	13.3	2,582,450	372,680	.16	14	+10.8
Greeting Cards	3,150,940	309,730	.13	10	17.8	15.9	2,674,820	267,240	.12	10	+7.5
Hosiery	4,721,210	7[illegible]9,480	.29	15	.8	1.0	4,371,290	643,580	.28	15	+6.3
Housewares	3,521,180	308,[illegible]60	.13	9	10.2	11.3	3,196,140	277,490	.12	9	+9.2
Other Housewares	nd	2,8[illegible]0,[illegible]30	1.20	nd	nd	4.2	nd	2,764,420	1.20	nd	+2.2
Magazines & Newspapers	8,529,030	1,24[illegible],900	.52	15	8.7	9.4	7,849,890	1,141,900	.50	15	+1.5
Auto Supplies	1,794,960	400,240	.17	22	− .2	− .1	1,798,430	400,790	.17	22	+1.5
Pet Accessories	1,503,530	400,900	.17	27	3.7	2.6	1,450,270	390,950	.17	27	+ .7
Records & Tapes	1,917,070	169,630	.07	9	2.4	4.1	1,872,140	162,950	.07	9	+2.4
Photo Supplies & Processing	5,140,600	763,640	.32	15	6.1	8.9	4,846,080	701,560	.30	14	+7.2
Stationery	578,270	118,590	.05	21	4.7	2.0	552,530	116,250	.05	21	−2.3
Writing Implements	796,720	90,830	.04	11	4.2	5.4	764,760	86,220	.04	11	+1.0
Toys	8,832,360	198,850	.08	2	4.7	6.2	8,436,830	187,240	.08	2	+4.0
Other General Merchandise	nd	3,523,040	nd	nd	—	—	nd	4,298,850	—	nd	—
Total Non-Foods		$ 55,798,770	23.15	nd	—	4.1	nd	$ 53,581,650	23.23	nd	—
GRAND TOTAL	nd	$241,020,000	100.00	nd	—	4.5	nd	$230,641,000	100.00	nd	—

WHAT THE NUMBERS MEAN

1 Includes farm consumption of farm goods. Value is computed as if sold at grocery store prices.

2 Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 Percent of total food (or total non-food) sales.

4 Percent of total store volume.

5 Change in sales in total domestic consumption in grocery stores.

6 Change in sales in grocery stores in total domestic consumption.

[1] As reported by U.S. Dept. of Commerce.

nd—No data available.

—Not available.

HIGH LIGHTS

WHAT CONSUMERS SPEND FOR PERISHABLE PRODUCTS

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] in Total	Total[3]	Grocery[3]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] in Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
PERISHABLES														
Baked Goods	$ 16,462,000	$ 10,296,390	4.27	63	3.2	3.6	$ 15,950,810	$ 9,942,330	4.31	62	$7,183,370	3.93	$ 1,681,630	23.4
Breads & Rolls[4]	$ 9,354,120	$ 5,795,050	2.40	62	2.9	2.9	$ 9,090,530	$ 5,629,770	2.44	62	3,963,920	2.16	876,030	22.1
White Bread	6,494,700	4,745,470	1.97	73	2.6	2.7	6,330,120	4,620,710	2.00	73				
Variety Bread	1,595,650	692,570	.29	43	4.3	4.6	1,529,870	662,110	.29	43				
Rolls, Bread Type[5]	1,263,770	357,010	.15	28	2.7	2.9	1,230,540	346,950	.15	28				
Crackers, Cookies, Biscuits	4,158,690	3,784,330	1.57	91	4.2	4.7	3,991,060	3,614,450	1.57	91	2,724,700	1.49	694,800	25.5
Sweet Goods	$ 2,949,190	$ 717,010	.30	24	2.8	2.7	$ 2,869,220	$ 698,110	.30	24	494,750	.27	110,800	22.4
Cakes & Other Pastry	1,921,830	422,920	.18	22	3.1	3.2	1,864,050	409,810	.18	22				
Doughnuts	5϶1,640	193,390	.08	34	1.4	1.6	553,890	190,340	.08	34				
Pies	465,720	100,700	.04	22	3.2	2.8	451,280	97,960	.04	22				
Instore Bakery	3,251,430	3,251,430	1.35	100	19.1	19.1	$ 2,730,000	$ 2,730,000	1.18	100	3,251,430	1.78	1,778,500	54.7
Dairy Section	$ 33,369,280	$ 16,896,450	7.01	51	.4	1.3	$ 33,233,110	$ 16,679,640	7.23	50	11,826,060	6.47	2,847,610	24.1
Cheese	$ 5,463,150	$ 3,959,130	1.64	72	.3	− .4	$ 5,448,910	$ 3,975,770	1.72	73	2,859,780	1.56	809,630	28.3
Cottage & Pot Cheese	656,290	464,280	.19	71	− .7	− .6	660,910	467,090	.20	71	334,280	.18	88,580	26.5
Natural Cheese[6]	3,019,080	1,751,230	.73	58	4.1	4.9	2,900,170	1,669,430	.72	58	1,260,400	.69	363,000	28.8
Processed Cheese[7]	1,787,780	1,743,610	.72	98	−5.3	−5.2	1,887,830	1,839,250	.80	97	1,265,100	.69	358,050	28.3
Eggs (Shell)	3,705,070	1,175,990	.49	32	2.1	2.4	3,628,870	1,148,420	.50	32	858,470	.47	155,380	18.1
Milk & Milk Products	$ 18,822,220	$ 7,069,150	2.93	38	−1.5	−1.4	$ 19,103,420	$ 7,170,020	3.11	38	4,762,530	2.60	1,000,780	21.0
Butter	1,768,060	883,230	.37	50	−3.7	−3.2	1,835,990	912,430	.40	50	688,900	.38	110,900	16.1
Fresh Cream	426,270	237,760	.10	56	− .9	−1.0	430,140	240,160	.10	56	178,320	.10	39,230	22.0
Fresh Milk	16,566,610	5,892,400	2.44	36	−1.3	−1.2	16,778,420	5,963,970	2.59	36	3,853,480	2.11	837,900	21.7
For Home Consumption	10,332,620	5,892,400	2.44	57	−1.3	−1.2	10,468,720	5,963,970	2.59	57				
Other	6,233,990				−1.2		6,309,710							
Refrigerated Toppings[8]	61,280	55,770	.02	91	4.1	4.3	58,870	53,470	.02	91	41,830	.02	12,750	30.5
Yogurt	$ 1,466,170	$ 1,204,700	.50	82	13.8	14.3	$ 1,288,370	$ 1,053,980	.46	82	861,360	.47	242,900	28.2
Margarine	$ 1,848,420	$ 1,526,690	.63	83	−2.2	−2.1	$ 1,890,000	$ 1,559,440	.68	83	1,076,300	.59	254,000	23.6
Refrigerated Fruit Juices, Drinks[9]	$ 1,483,470	$ 1,420,880	.59	96	12.0	12.4	$ 1,324,000	$ 1,264,460	.55	96	995,840	.55	263,900	26.5
Apple Juice	45,720	42,490	.02	93	16.1	16.4	39,380	36,500	02	93				
Orange Juice	1,195,550	1,153,650	.48	96	13.4	13.7	1,054,270	1,014,640	.44	96				
Orange Flavored Drinks	88,640	83,040	.03	94	9.2	9.5	81,170	75,830	.03	93				
Grapefruit Juice	112,220	103,460	.04	92	.2	.3	111,990	103,150	.04	92				
Other Fruit Drinks, Juices	41,350	38,250	.02	92	11.2	11.4	37,180	34,330	.01	92				
Refrigerated Dough Products	551,510	513,100	.21	93	5.5	6.2	522,760	483,140	.21	92	400,220	.22	114,050	28.5
Refrigerated Fish Appetizers	$ 29,270	$ 26,830	.01	92	9.3	9.9	$ 26,780	$ 24,410	.01	91	21,460	.01	6,970	32.5
Frozen Foods	$ 15,966,670	$ 11,499,560	4.77	72	5.7	5.7	$ 15,112,290	$ 10,876,560	4.72	72	9,760,610	5.34	2,969,080	30.4
Frozen Baked Goods	$ 1,106,470	$ 990,820	.41	90	5.5	5.7	$ 1,047,390	$ 935,850	.41	89	1,091,500	.60	381,630	35.0
Bagels	93,110	86,360	.04	93	14.6	14.8	81,250	75,230	.03	93	73,400	.04	24,950	34.0
Breads & Rolls	234,100	199,550	.08	85	19.7	20.6	195,570	165,460	.07	85	159,620	.09	55,120	34.5
Cakes, Pastries	475,280	437,770	.18	92	1.6	1.9	467,800	429,610	.19	92	382,150	.21	137,700	36.0
Pies	303,980	267,140	.11	88	.4	.6	302,770	265,550	.12	88	227,000	.12	83,080	36.6
Frozen Breakfast Entrees	280,720	263,700	.11	94	9.2	10.1	258,100	240,910	.10	93	249,330	.14	80,780	32.4
Waffles	178,130	166,920	.07	94	8.8	9.7	163,720	152,160	.07	93				
French Toast, Pancakes	32,510	30,550	.01	94	19.3	19.6	27,250	25,540	.01	94				
Other	70,080	66,230	.03	95	1.0	1.1	67,130	63,210	.03	94				
Ice Cream[10]	4,298,920	1,435,220	.60	33	7.6	6.3	3,994,830	1,350,160	.50	34	1,053,690	.58	279,300	26.5
Bulk	662,460	—	—	—	7.1	—	618,540	—	—	—				
Packaged	2,397,190	1,435,220	.60	60	6.9	6.3	2,242,460	1,350,160	.59	60				
Specialties	1,239,280				9.3		1,133,830							
Frozen Coffee Creamer	42,910	38,180	.02	89	.3	.5	42,700	37,990	.02	89	33,600	.02	8,800	26.2
Frozen Toppings	174,360	158,620	.07	91	2.0	2.3	170,940	155,050	.07	91	136,410	.07	33,420	24.5
Frozen Meat, Fish, Poultry	$ 2,877,810	$ 2,307,260	.96	80	3.1	3.0	$ 2,791,270	$ 2,239,800	.97	80	1,995,780	1.09	663,000	33.2
Fish & Other Seafood	806,730	591,600	.25	73	6.1	6.6	760,330	555,070	.24	73	511,770	.28	179,550	35.1
Fish Sticks	114,130	87,620	.04	77	6.5	6.9	107,170	81,970	.04	76	75,790	.04	26,150	34.5
Frozen Shrimp	203,360	157,550	.07	77	9.4	9.8	185,890	143,490	.06	77	136,280	.07	49,100	36.0
Other Frozen Fish & Seafood	489,230	346,430	.14	71	4.7	5.1	467,270	329,620	.14	71	299,700	.16	104,300	34.8
Meat	547,830	262,930	.11	48	4.2	4.4	525,750	251,850	.11	48	230,450	.13	76,050	33.0
Poultry	1,523,250	1,452,730	.60	95	1.2	1.4	1,505,190	1,432,670	.62	95	1,253,560	.69	407,400	32.5

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[1] All consumption—whether at farm level or by institutions, restaurants, government—is given here in terms of retail store valuation (except as otherwise noted). Excluded are those portions of a commodity which are used commercially in making some other products.

[2] Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets, fish markets, confectionery stores, fruit and vegetable markets, egg dealers.

[3] Decreases are shown by minus signs. Other figures represent increases.

[4] Includes frozen bread and rolls, but excludes cakes, pastries, pies.

[5] Includes bagels, onion rolls.

[6] Includes cheddar, colby, brick, cream, foreign types.

[7] Includes cheese food and cheese spreads.

[8] Aerosol packed consumer sizes. Butterfat and non-butterfat bases. Excludes powders.

[9] In carton, bottle or plastic.

[10] Grocery store sales are mainly packaged ice cream and specialties, and a negligible amount of bulk ice cream.

SPENDING FOR PERISHABLE PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] in Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Frozen Prepared Foods (Precooked)[11]	$ 3,164,460	$ 3,028,980	1.26	96	7.0	9.2	$ 2,957,920	$ 2,775,050	1.20	94	2,665,500	1.45	792,060	29.7
Dinners	1,229,560	1,203,630	.50	98	12.1	15.3	1,096,830	1,043,910	.45	95	1,052,630	.58	317,900	30.2
Meat Pies	219,330	200,610	.08	91	1.8	2.5	215,450	195,720	.08	91	338,950	.19	97,300	28.7
Poultry Pies	203,050	184,570	.08	91	2.2	3.6	198,680	178,160	.08	90				
Pizza	1,043,870	995,090	.41	95	.8	2.4	1,035,580	971,770	.42	94	875,670	.48	253,940	29.0
Nationality Foods	444,640	422,300	.18	95	14.2	15.7	389,490	364,920	.16	94	378,690	.21	116,950	30.9
Oriental	190,740	181,370	.08	95	18.2	19.7	161,370	151,520	.07	94	162,330	.09	50,320	31.0
Mexican	253,900	240,930	.10	95	11.3	12.9	228,120	213,400	.09	94	216,360	.12	66,640	30.8
Other Frozen Prepared Foods	24,020	22,770	.01	95	9.8	10.7	21,880	20,570	.01	94	19,560	.01	5,960	30.5
Frozen Vegetables, Fruits, Juices[12]	$ 4,021,020	$ 3,276,790	1.36	81	4.5	4.3	$ 3,849,060	$ 3,141,950	1.36	82	2,784,130	1.52	814,470	29.2
Fruits	125,600	116,650	.05	93	10.1	10.5	114,050	105,580	.05	93	100,350	.05	36,210	32.5
Blueberries	11,920	10,760	.00	90	13.6	13.9	10,490	9,450	.00	90				
Raspberries	13,650	12,560	.01	92	15.2	15.5	11,850	10,870	.00	92				
Strawberries	62,620	58,850	.02	94	11.8	12.2	56,010	52,450	.02	94				
Other Frozen Fruits	37,410	34,480	.01	92	4.8	5.1	35,700	32,810	.01	92				
Fruit Juice Concentrates	1,705,110	1,548,150	.64	91	.9	1.1	1,689,450	1,531,410	.66	91	1,315,930	.72	372,420	28.3
Apple	139,560	128,300	.05	92	3.6	4.1	134,710	123,250	.05	91	*			
Grape	116,810	105,340	.04	90	6.2	6.6	109,990	98,820	.04	90	*			
Orange	1,390,270	1,260,840	.52	91	.4	.5	1,384,730	1,254,560	.54	91	1,065,900	.58	289,920	27.2
Grapefruit	21,260	18,850	.01	89	−8.4	−7.6	23,210	20,400	.01	88	*			
Other Fruit Concentrates	37,220	34,820	.01	94	1.1	1.3	36,810	34,370	.01	93	250,030	.01	82,500	33.0
Fruit Drinks	140,410	127,370	.05	91	−2.7	−2.8	144,310	131,070	.06	91	108,900	.06	33,540	30.8
Synthetic Orange[13]	33,720	30,220	.01	90	−8.3	−9.3	36,770	33,310	.01	91				
Regular Orange	12,450	11,090	.00	89	−6.8	−7.4	13,350	11,980	.01	90				
Lemonade Bases	54,140	48,850	.02	90	2.3	2.6	52,920	47,610	.02	90				
Other Fruit Drinks	40,110	37,220	.02	93	−2.8	−2.5	41,270	38,170	.02	92				
Vegetables	2,049,890	1,484,610	.62	72	7.8	8.1	1,901,260	1,373,890	.60	72	1,258,950	.69	372,300	29.6
Asparagus	58,710	40,530	.02	69	5.8	6.1	55,490	38,200	.02	69	*			
Green Beans	90,110	65,060	.03	72	3.1	3.6	87,400	62,800	.03	72	*			
Lima Beans	51,940	33,860	.01	65	8.1	8.5	48,050	31,210	.01	65	*			
Broccoli	128,490	90,120	.04	70	8.3	8.7	118,640	82,900	.04	70	*			
Cauliflower	37,570	26,400	.01	70	1.0	1.3	37,200	26,060	.01	70	*			
Green Peas	147,450	103,000	.04	70	11.8	12.3	131,880	91,720	.04	70	*			
Spinach	61,400	43,330	.02	71	3.2	3.5	59,500	41,870	.02	70	*			
French Fried Potatoes	737,650	590,140	.24	80	7.1	7.4	688,750	549,480	.24	80	500,440	.27	140,120	28.0
Other Potato Products	94,700	68,110	.03	72	5.2	5.5	90,020	64,560	.03	72	57,750	.03	18,480	32.0
Corn	165,800	113,710	.05	69	15.2	15.4	143,930	98,540	.04	68	*			
Other Frozen Vegetables	476,080	310,350	.13	65	8.1	8.3	440,410	286,560	.12	65	700,760	.38	213,700	30.5
Fresh & Cured Meat, Fish & Poultry	$ 71,154,020	$ 47,841,160	19.85	67	3.7	4.0	$ 68,582,560	$ 45,986,660	19.94	67	38,250,670	20.93	8,490,000	22.2
Fresh Fish & Other Fresh Seafood	2,494,720	2,233,380	.93	90	8.2	7.8	2,305,650	2,071,780	.90	90				
Fresh Meat	43,257,510	26,689,930	11.07	62	3.4	3.6	41,856,530	25,759,330	11.17	62				
Beef	34,963,510	21,073,100	8.74	60	3.5	3.8	33,781,160	20,301,63[illegible]	8.80	60				
Lamb	1,182,240	1,039,300	.43	88	3.2	3.3	1,145,590	1,006,100	.44	88				
Pork	6,063,410	3,928,700	1.63	65	2.7	2.9	5,904,000	3,817,980	1.66	65				
Veal	1,048,350	648,830	.27	62	2.2	2.4	1,025,780	633,620	.27	62				
Poultry	8,763,150	5,762,740	2.39	66	4.8	5.1	8,361,790	5,483,100	2.38	66				
Packaged Meats	$ 16,638,640	$ 13,155,120	5.46	79	3.6	3.8	$ 16,058,590	$ 12,672,450	5.49	79				
Packaged Bacon	2,794,340	2,290,290	.95	82	5.9	6.1	2,638,660	2,158,610	.94	82				
Cured Ham & Picnics	2,905,030	2,288,150	.95	79	1.7	1.9	2,856,470	2,245,490	.97	79				
Frankfurters	1,933,980	1,496,730	.62	77	3.1	3.2	1,875,580	1,449,990	.63	77				
Sausages	1,440,670	1,127,290	.47	78	5.5	5.6	1,365,560	1,067,500	.46	78				
Other Sausage Products	3,604,230	2,835,120	1.18	79	3.1	3.3	3,495,860	2,744,550	1.19	79				
Packaged Cold Cuts	3,960,390	3,117,540	1.29	79	3.5	3.7	3,826,460	3,006,310	1.30	79				
Service Deli	$ 4,589,320	$ 4,589,320	1.90	100	15.6	15.6	$ 3,970,000	$ 3,970,000	1.72	100	4,589,320	2 51	1,835,700	40.0
Produce	$ 33,059,350	$ 22,027,470	9.14	67	2.4	2.7	$ 32,275,760	$ 21,449,060	9.30	66	17,620,280	9.64	5,991,000	34.0
Potatoes	2,984,600	1,785,380	.74	60	1.1	1.2	2,952,130	1,764,210	.76	60				
Lettuce	2,356,500	1,496,060	.62	63	2.4	2.6	2,301,270	1,458,150	.63	63				
Tomatoes	2,303,410	1,335,780	.55	58	4.1	4.3	2,212,690	1,280,710	.56	58				
Carrots	475,530	328,970	.14	69	4.2	5.6	456,360	311,520	.14	68				
Onions	879,380	501,840	.21	57	−10.6	−9.5	983,650	554,520	.24	56				
Celery	624,150	392,290	.16	63	11.3	11.7	560,780	351,200	.15	63				
Corn	491,790	267,650	.11	54	4.5	4.7	470,610	255,630	.11	54				
Mushrooms	576,570	391,390	.16	68	6.6	6.7	540,870	366,810	.16	68				
Other Fresh Vegetables	11,213,090	6,573,810	2.73	59	2.4	2.5	10,950,280	6,413,470	2.78	58				
Apples	2,228,160	1,946,080	.81	87	2.5	2.9	2,173,810	1,891,230	.82	87				
Bananas	1,796,430	1,445,140	.60	80	5.6	5.3	1,701,160	1,372,400	.60	81				
Citrus Fruits	2,067,270	1,708,120	.71	83	1.2	1.5	2,042,760	1,682,880	.73	82				
Other Fresh Fruits	5,062,480	3,854,970	1.60	76	2.7	2.9	4,929,390	3,746,330	1.62	76				
Total Perishables	$177,852,060	$116,401,790	48.30	65	3.5	4.3	$171,854,530	$111,634,240	48.40	63	92,481,740	50.60	25,593,520	27.7

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[11] Includes frozen soups.

[12] Consumer size packages for home use.

[13] Excludes powdered synthetic orange.

* Less than .005%

HIGH LIGHTS

WHAT CONSUMERS SPEND FOR DRY GROCERIES

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
DRY GROCERIES														
Baking Needs	$ 2,943,640	$ 2,625,360	1.09	89	-.4	.0	$ 2,955,230	$ 2,625,910	1.14	89	1,920,000		412,000	21.4
Baking Chocolate & Bits	353,540	334,490	.14	95	.7	.8	351,060	331,830	.14	95	245,000	.13	58,800	24.0
Baking Powder	21,370	19,140	.01	90	3.9	4.1	20,570	18,380	.01	89	14,000	.01	3,950	28.2
Baking Soda	14,570	12,130	.01	83	6.3	6.6	13,710	11,370	.00	83	8,870	.00	2,440	27.5
Yeast[14]	50,200	47,030	.02	94	2.2	2.6	49,120	45,840	.02	93	34,380	.02	1,135	33.0
Baking Nuts	362,690	291,880	.12	80	2.8	3.0	352,970	283,420	.12	80	215,500	.12	53,875	25.0
Shelled Walnuts	251,240	200,860	.08	80	2.6	2.8	244,870	195,390	.08	80				
Other Baking Nuts	111,450	91,020	.04	82	3.1	3.4	108,100	88,030	.04	81				
Flour	$ 2,141,270	$ 1,920,690	.80	90	-1.2	-.7	$ 2,167,790	$ 1,935,060	.84	89	1,403,250	.77	291,800	20.8
Cake Flour	12,760	11,370	.00	89	4.6	5.1	12,200	10,820	.00	89	8,350	.00	2,140	25.6
Corn Meal	149,160	125,840	.05	84	-6.5	-6.4	159,530	134,450	.06	84	92,100	.05	21,640	23.5
Family Flour	608,000	492,500	.20	81	-4.8	-4.7	639,700	516,790	.22	81	359,200	.20	55,680	15.5
Pancake & Waffle Mixes	141,300	129,450	.05	92	-1.3	-1.1	143,160	130,890	.06	91	94,600	.05	23,840	25.2
Prepared Mixes	1,229,050	1,161,530	.48	95	1.3	1.7	1,213,200	1,142,110	.50	94	849,000	.46	188,500	22.2
Cake Mixes	550,820	1,161,530	.48	95	-3.1	1.7	568,440	1,142,110	.50	94				
Frostings, Icings, Fudge Mixes	286,210						259,010							
Pie Crust Mixes	60,700				10.5		63,690							
Pizza Pie Mixes	88,470				3.1		85,810							
Other Prepared Mixes	242,870				2.8		236,250							
Beer, Wine & Liquor[14]	$ 35,742,450	$ 13,222,780	5.49	37	2.2	4.9	34,973,290	12,608,930	5.47	36	8,590,000	4.69	2,018,100	23.5
Beer	17,451,580	10,926,830	4.53	63	4.2	4.4	16,753,960	10,466,310	4.54	62	7,100,000	3.88	1,434,200	20.2
Bottled, canned beer for home and other off-premise consumption	11,866,670	10,926,830	4.53	92	4.1	4.4	11,399,300	10,466,310	4.54	92				
Draft beer, bottled, canned beer for on-premise consumption	5,584,920	—	—	—	4.3	—	5,354,670	—	—	—				
Liquor	11,913,480	301,930	.13	3	-.9	3.7	12,021,670	291,150	.13	2	280,000	.15	112,000	40.0
Wine	6,377,390	1,994,030	.83	31	2.9	7.7	6,197,660	1,851,470	.80	30	1,210,000	.66	471,900	39.0
Prepared Drinks	$ 9,139,710	$ 7,282,370	3.02	80	2.2	2.6	$ 8,945,900	$ 7,096,930	3.08	79	5,250,000	2.87	850,530	16.2
Cocoa	315,140	277,860	.12	86	-1.2	-1.0	318,870	280,730	.12	88	200,000	.10	49,000	24.5
Unsweetened Cocoa	34,480	25,140	.01	73	-3.3	-3.2	35,650	25,970	.01	73				
Prepared Sweet Cocoa	280,670	252,720	.10	90	-.9	-.8	283,220	254,760	.11	90				
Coffee	6,322,560	4,738,660	1.97	75	.0	.1	6,321,030	4,735,960	2.05	75	3,411,800	1.87	384,780	11.3
Regular Coffee	4,591,460	3,124,050	1.30	68	.3	.4	4,577,730	3,111,600	1.35	68	2,240,500	1.23	241,970	10.8
Instant Coffee	1,731,100	1,614,610	.67	93	-.7	-.6	1,743,300	1,624,360	.70	93	1,171,300	.64	142,900	12.2
Powdered Drink Mixes[15]	807,240	756,910	.31	94	22.4	22.7	659,510	616,880	.27	94	544,750	.30	152,530	28.0
Dry Milk Powder[16]	167,460	155,500	.06	93	-9.3	-9.2	184,630	171,250	.07	93	112,000	.06	19,040	17.0
Prepared Food Drinks[17]	146,750	125,330	.05	85	9.6	9.8	133,890	114,150	.05	85	90,700	.05	24,940	27.5
Tea	1,005,470	884,030	.37	88	7.4	7.9	936,240	819,690	.36	88	643,000	.35	160,790	25.0
Instant Tea	141,690	129,640	.05	91	-5.4	-5.2	149,770	136,750	.06	91	95,500	.05	27,220	28.5
Ice Tea Mixes	292,080	267,710	.11	92	18.1	18.3	247,320	226,300	.10	91	190,400	.10	54,840	28.8
Bags & Loose Tea	440,090	394,200	.16	90	5.1	5.3	418,740	374,360	.16	89	288,800	.15	64,110	22.2
Herb Tea	131,610	92,490	.04	70	9.3	12.4	120,410	82,280	.04	68	68,300	.04	14,620	21.4
Breakfast Drinks	146,560	137,350	.06	94	-11.9	-11.3	166,360	154,850	.07	93	98,900	.05	26,310	26.6
Coffee Creamers	228,530	206,740	.09	90	1.4	1.6	225,380	203,480	.09	90	148,850	.08	33,050	22.2
Soft Drinks	$ 10,969,900	$ 6,257,290	2.60	57	6.9	7.1	$ 10,264,200	$ 5,843,760	2.53	57	4,615,000	2.52	929,820	20.1
Bottled Soft Drinks	9,282,980	4,663,330	1.93	50	6.8	7.0	8,688,280	4,358,740	1.89	50	4,449,500	2.43	881,000	19.8
Dietetic	656,280	517,710	.21	79	3.6	3.8	633,480	498,760	.22	79				
Other	8,626,700	4,145,620	1.72	48	7.1	7.4	8,054,810	3,859,980	1.67	48				
Canned Soft Drinks	1,510,080	1,423,470	.59	94	5.8	6.1	1,427,430	1,342,230	.58	94				
Dietetic	548,640	500,420	.21	91	4.4	4.7	525,510	477,950	.21	91				
Other	961,450	923,050	.38	96	6.6	6.8	901,920	864,280	.37	96				
Bottled Water	176,840	170,490	.07	96	19.1	19.4	148,480	142,790	.06	96	165,500	.09	48,820	29.5
Candy & Chewing Gum	$ 7,978,680	$ 2,733,970	1.13	34	4.2	4.4	7,655,180	2,618,620	1.14	34	1,780,000	0.97	600,100	33.7
Bar Candy	2,934,050	950,390	.39	32	5.3	5.8	2,786,700	898,060	.39	32	1,295,500	.71	419,750	32.4
Chocolate	2,304,050	746,220	.31	32	3.2	3.7	2,232,610	719,590	.31	32				
Non-Chocolate	630,000	204,170	.08	32	13.7	14.4	554,090	178,470	.08	32				
Packaged Chocolate	243,680	111,880	.05	46	6.9	6.6	227,900	104,930	.05	46				
Chocolate Covered Creams	120,810	56,300	.02	47	10.5	10.2	109,330	51,090	.02	47				
Chocolate Covered Fruits	61,950	27,380	.01	44	5.6	5.2	58,660	26,030	.01	44				
Chocolate Covered Nuts	60,930	28,200	.01	46	1.7	1.4	59,910	27,810	.01	46				
Packaged Candy Covered Chocolate	296,820	165,290	.07	56	7.1	7.4	277,140	153,900	.07	56				
Bulk Candy	579,390	319,290	.13	55	2.4	1.3	565,810	315,190	.14	56				
Packaged Soft Candy	100,610	56,220	.02	56	-3.7	-3.4	104,470	58,200	.03	56				
Packaged Hard Candy	299,530	172,450	.07	58	3.1	3.3	290,520	166,940	.07	57				
Hard Roll Candy	134,100	65,810	.03	49	2.1	2.5	131,340	64,200	.03	49				

[14] Spending in all outlets includes restaurant and other on-premises.

[15] Excludes "Breakfast Drinks" listed separately.

[16] Nonfat dry milk solids in household size packages.

— Not Available

[17] Includes chocolate syrup drinks, malted milk items, and other items but excludes chocolate syrup.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1983 Value[1] of Total Domestic Consumption	1983 Amount Spent in Grocery Stores[2]	1983 % of Total Store	1983 % Gro[2] to Total	Percentage Change From '82 to '83 Total[1]	Percentage Change From '82 to '83 Grocery[2]	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Total Store	1982 % Gro.[2] to Total	1983 Supermarket Performance Amount Spent in Supermarkets	1983 Supermarket Performance % of Total Supermarket	1983 Supermarket Performance $ Margin	1983 Supermarket Performance % Margin
Breath Fresheners	183,510	88,820	.04	48	3.6	3.8	177,130	85,570	.04	48	57,730	.03	21,590	37.4
Marshmallows	68,650	61,480	.03	90	−5.3	−4.9	72,490	64,650	.03	89	39,600	.02	9,700	24.5
Chewing Gum	1,270,080	577,140	.24	45	4.9	5.4	1,211,350	547,670	.24	45	387,170	.21	149,060	38.5
Regular Chewing Gum	500,070	222,720	.09	45	5.1	5.4	475,810	211,310	.09	44				
Sugarless Chewing Gum	369,790	165,180	.07	45	1.9	2.3	362,900	161,460	.07	44				
Bubble Gum	400,220	189,240	.08	47	7.4	8.2	372,640	174,900	.08	47				
Other Candy	1,868,260	165,200	.07	9	3.2	3.7	1,810,330	159,310	.07	9	*			
Baby Foods[18]	$ 1,752,250	$ 1,479,150	.61	84	9.2	9.9	$ 1,604,340	$ 1,345,480	.58	84	1,050,000	0.57	94,370	9.0
Desserts	62,160	51,540	.02	83	1.1	1.5	61,490	50,780	.02	3	36,590	.02	3,440	9.4
Fruits	326,170	279,600	.12	86	6.3	7.6	306,840	259,850	.11	85	198,520	.11	18,060	9.1
Meat & Combinations	239,150	197,900	.08	83	1.8	2.3	234,920	193,450	.08	82	140,510	.08	13,070	9.3
Vegetables	86,500	72,310	.03	84	4.2	4.8	83,020	69,000	.03	83	51,340	.03	4,670	9.1
Infant Cereals	57,460	48,320	.02	84	5.2	5.5	54,620	45,800	.02	84	34,300	.02	3,910	11.4
Infant Formulas	980,810	829,480	.34	85	13.6	14.2	863,460	726,600	.32	84	588,740	.32	51,220	8.7
Hypoallergenic Formulas[19]	221,250	188,390	.08	85	14.6	15.4	193,060	163,250	.07	85				
Routine Infant Formulas	759,560	641,090	.27	84	13.3	13.8	670,390	563,350	.24	84				
Canned Fish & Other Canned Seafood	$ 2,048,190	$ 1,800,900	.75	88	.7	.6	$ 2,033,600	$ 1,790,380	.78	88	1,380,000	.75	267,790	19.4
Salmon	347,850	255,100	.11	73	7.4	7.6	323,880	237,080	.10	73	196,350	.11	55,370	28.2
Sardines	90,180	83,880	.03	93	−1.1	−1.2	91,180	84,900	.04	93	65,000	.04	20,410	31.4
Tuna	1,531,870	1,401,580	.58	91	− .7	− .6	1,542,670	1,410,040	.61	91	1,080,500	.59	181,520	16.8
Other Canned Fish & Seafood	78,300	60,340	.03	77	3.2	3.4	75,870	58,360	.03	77	38,150	.02	10,490	27.5
Canned Fruits	$ 1,719,470	$ 1,474,530	.61	86	−1.0	− .8	$ 1,736,660	$ 1,486,960	.64	86	1,080,000	.59	257,520	23.8
Citrus[20]	57,980	50,920	.02	88	.6	.7	57,630	50,570	.02	88	38,190	.02	10,080	26.4
Pineapple	223,350	192,580	.08	86	1.2	1.4	220,700	189,920	.08	86	187,550	.10	45,390	24.2
Applesauce	228,170	199,250	.08	87	4.3	4.6	218,760	190,480	.08	87	145,550	.08	36,940	25.4
Apricots	29,030	26,010	.01	90	−4.3	−4.2	30,330	27,150	.01	90	18,990	.01	5,050	26.6
Fruit Cocktail	245,800	209,910	.09	85	−2.4	−2.5	251,840	215,290	.09	85	146,630	.08	30,520	20.8
Peaches	322,920	276,060	.11	85	−1.2	−1.3	326,840	279,700	.12	86	179,440	.10	41,630	23.2
Pears	160,690	135,940	.06	85	−3.2	−3.0	166,000	140,140	.06	84	108,750	.06	27,730	25.5
Other Canned Fruits	451,540	383,870	.16	85	−2.8	−2.5	464,550	393,710	.17	85	255,000	.14	60,180	23.6
Canned & Bottled Juices & Fruit Drinks[21]	$ 3,069,600	$ 2,666,710	1.11	87	8.9	9.2	$ 2,818,690	$ 2,442,370	1.06	87	2,000,000	1.09	449,860	22.5
Apple Juice & Cider	663,960	603,120	.25	91	6.9	7.2	621,110	562,610	.24	91	502,300	.27	111,500	22.2
Cranberry Juice	298,460	277,640	.12	93	11.9	12.2	266,720	247,450	.11	93	257,520	.14	53,560	20.8
Orange Juice	124,090	96,120	.04	77	.3	.8	123,720	95,360	.04	77	72,090	.04	17,080	23.7
Grape Juice	132,970	122,360	.05	92	3.4	3.6	128,600	118,110	.05	92	96,780	.05	23,030	23.8
Grapefruit Juice	158,410	130,920	.05	83	−8.5	−7.4	173,130	141,380	.06	82	102,100	.05	21,640	21.2
Pineapple Juice	103,740	96,270	.04	93	.3	.6	103,430	95,700	.04	93	72,220	.04	15,100	20.9
Nectars	59,690	55,220	.02	93	1.1	1.3	59,040	54,510	.02	92	41,420	.02	11,680	28.2
Prune Juice	132,090	112,630	.05	85	2.8	3.1	128,490	109,240	.05	85	82,470	.05	19,790	24.0
Other Canned Juices	28,320	22,360	.01	79	5.2	5.6	26,920	21,180	.01	79	16,770	.01	3,440	20.5
Vegetable Juices[22]	291,190	247,570	.10	85	2.7	2.2	283,530	242,240	.11	85	195,700	.11	41,290	21.1
Fruit Drinks	1,076,690	902,510	.37	84	19.1	19.6	904,020	754,610	.33	83	560,630	.31	131,750	23.5
Canned Meat & Specialty Foods	$ 2,016,530	$ 1,495,090	.62	74	4.2	4.1	$ 1,935,090	$ 1,436,950	.62	74	1,090,000	.60	230,010	21.1
Beef Hash	93,310	72,980	.03	78	2.9	3.1	90,680	70,790	.03	78	53,200	.03	14,130	26.6
Lunch Meat	202,060	172,600	.07	85	3.5	3.7	195,230	166,440	.07	85	125,820	.07	18,240	14.5
Sausages & Frankfurters	162,260	142,620	.06	88	2.9	3.2	157,690	138,200	.06	88	103,970	.06	25,160	24.2
Corned Beef	83,330	75,610	.03	91	3.1	4.4	80,820	72,420	03	90	55,120	.03	13,230	24.0
Meat Spreads	90,560	82,900	.03	92	−1.1	−1.5	91,570	84,160	.04	92	60,430	.03	15,410	25.5
Other Canned Meat	1,385,060	948,380	.39	68	5.0	4.8	1,319,100	904,940	.39	69	691,460	.38	143,820	20.8
Canned Milk	$ 479,840	$ 416,900	.17	87	.2	.3	$ 478,830	$ 415,500	.18	87	310,000	.17	37,200	12.0
Condensed Milk	27,770	17,370	.01	63	−1.2	−1.1	28,110	17,560	.01	62				
Evaporated Milk	452,070	399,530	.17	88	.3	.4	450,720	397,940	.17	88				
Canned Poultry	$ 105,420	$ 95,850	.04	91	5.9	6.4	$ 99,550	$ 90,090	.04	90	70,000	.04	19,250	27.5
Canned Prepared Food	$ 1,430,760	$ 1,309,450	.54	92	6.9	7.6	$ 1,338,020	$ 1,217,560	.53	91	950,000	.52	230,460	24.3
Chili	280,510	242,070	.10	86	4.4	5.5	268,690	229,450	.10	85	176,710	.10	44,530	25.2
Mexican Food	399,950	371,960	.15	93	15.1	15.5	347,400	322,040	.14	93	271,530	.14	70,050	25.8
Oriental Food	202,450	191,380	.08	95	1.2	1.6	200,050	188,370	.08	94	139,700	.07	39,670	28.4
Pasta	398,160	373,890	.16	94	3.8	4.1	383,580	359,160	.16	94	272,940	.14	57,320	21.0
Meat Stew	149,690	130,160	.05	87	8.3	9.8	138,220	118,540	.05	86	89,120	.05	18,890	21.2
Canned & Dry Soups	$ 1,856,690	$ 1,724,150	.72	93	8.0	8.5	$ 1,719,230	$ 1,589,070	.69	92	1,260,000	.69	279,210	22.2
Canned Soup[23]	1,529,190	1,424,020	.59	93	7.8	8.3	1,418,540	1,314,880	.57	93	1,037,770	.57	220,000	21.2
Dry Soup Mixes[24]	265,400	242,190	.10	91	9.8	10.4	241,710	219,370	.10	91	179,230	.10	45,880	25.6
Instant Bouillon & Cubes	62,110	57,950	.02	93	5.3	5.7	58,980	54,820	.02	93	43,000	.02	13,330	31.0

[18] Includes glass packs, infant formulas also listed under HBA.

[19] Includes soya isolate formulas.

* Less than .005%

[20] Canned or chilled citrus sections.

[21] Full strength and concentrated juices in can. Non-carbonated. Includes aseptic pack juices and drinks.

[22] Chiefly tomato juice.

[23] Excludes frozen soups.

[24] Excludes bouillon cubes listed separately.

HIGH LIGHTS

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Canned Vegetables	**$ 3,327,470**	**$ 2,924,520**	**1.21**	**88**	**1.5**	**1.8**	**$ 3,278,790**	**$ 2,374,280**	**1.25**	**88**	**2,160,000**	**1.18**	**462,840**	**21.4**
Beans with Pork or Sauce[25]	426,890	389,000	.16	91	.9	1.2	423,080	384,390	.17	91	287,350	.16	60,630	21.1
Asparagus	86,360	74,960	.03	87	3.4	4.9	83,520	71,460	.03	86	55,370	.03	13,290	24.0
Beans (Wax & Green)	364,200	321,460	.13	88	2.1	2.4	356,710	313,920	.14	88	237,460	.13	57,470	24.2
Beets	73,730	65,670	.03	89	−1.4	−1.3	74,780	66,530	.03	89	48,500	.03	11,540	23.8
Corn	606,670	535,920	.22	88	1.4	1.7	598,290	526,960	.23	88	395,880	.22	78,000	19.7
Mushrooms	249,680	223,540	.09	90	.4	.5	248,680	222,430	.10	89	165,130	.09	36,660	22.2
Peas	342,760	303,840	.13	89	.6	.7	340,720	301,730	.13	89	204,440	.11	44,980	22.0
Sauerkraut	70,950	64,160	.03	90	.4	.5	70,670	63,840	.03	90	47,390	.03	11,610	24.5
Tomatoes	384,130	328,590	.14	86	1.6	1.8	378,080	322,780	.14	85	262,730	.14	61,740	23.5
Tomato Sauce	399,390	342,530	.14	86	2.8	3.2	388,520	331,910	.14	85	253,030	.14	46,550	18.4
Tomato Paste	215,850	184,790	.08	86	2.3	2.5	210,990	180,280	.08	85	136,500	.07	26,340	19.3
Tomato Puree	61,430	52,210	.02	85	2.1	2.2	60,170	51,080	.02	85	38,570	.02	7,170	18.6
Other Canned Vegetables	45,430	37,860	.02	83	1.9	2.4	44,580	36,970	.02	83	27,650	.02	6,860	24.8
Breakfast Foods	**$ 4,113,140**	**$ 3,900,940**	**1.62**	**95**	**16.4**	**17.3**	**$ 3,532,870**	**$ 3,325,960**	**1.44**	**94**	**2,900,000**	**1.58**	**578,920**	**20.0**
Cold Cereals	3,542,540	3,389,800	1.41	96	18.8	19.6	2,982,020	2,834,280	1.23	95	2,509,960	1.37	497,000	19.8
Hominy Grits	84,490	74,680	.03	88	−1.3	−1.2	85,610	75,590	.03	88	57,520	.03	12,650	22.0
Hot Cereals	411,700	367,230	.15	89	4.9	5.4	392,470	348,420	.15	89	280,040	.15	56,570	20.2
Toaster Pastries	74,300	69,240	.03	93	2.1	2.3	72,770	67,680	.03	93	52,480	.03	12,700	24.2
Pasta	**$ 1,128,230**	**$ 849,340**	**.35**	**75**	**1.4**	**1.5**	**$ 1,112,760**	**$ 836,710**	**.36**	**75**	610,000	.33	162,250	26.6
Macaroni	373,870	264,010	.11	71	1.3	1.4	369,060	260,360	.11	71				
Noodles	273,930	198,670	.08	73	.8	.9	271,750	196,900	.09	72				
Spaghetti	480,420	386,660	.16	80	1.8	1.9	471,930	379,450	.16	80				
Condiments, Dressings, Spreads, Relishes	**$ 5,919,110**	**$ 4,701,710**	**1.95**	**79**	**6.1**	**6.2**	**$ 5,577,900**	**$ 4,427,160**	**1.92**	**79**	**3,450,000**	**1.89**	**823,260**	**23.9**
Condiments	$ 1,768,660	$ 1,375,640	.57	78	3.5	3.9	$ 1,708,690	$ 1,324,680	.57	78	999,410	.55	292,140	29.2
Barbeque Sauce	56,800	49,750	.02	88	19.7	20.2	47,450	41,390	.02	87	36,470	.02	9,360	25.5
Ketchup	578,060	454,350	.19	79	4.2	4.5	554,760	434,780	.19	78	323,400	.18	53,680	16.6
Condiment Sauces[26]	98,320	76,400	.03	78	9.6	10.1	89,710	69,390	.03	77	56,050	.03	13,450	24.0
Flavor Enhancers	22,130	19,730	.01	89	2.4	2.5	21,610	19,250	.01	89	14,500	.01	3,830	26.4
Meat Tenderizers	34,590	28,130	.01	81	4.7	4.9	33,040	26,820	.01	81	20,640	.01	5,720	27.7
Prepared Mustard	149,860	113,980	.05	76	13.4	15.3	132,150	98,850	.04	75	93,640	.05	21,350	22.8
Onion Flakes	41,060	35,430	.01	86	2.2	2.3	40,180	34,630	.02	86	26,000	.01	10,270	39.5
Pepper	154,110	109,580	.05	71	−1.1	−2.2	155,820	112,040	.05	72	80,410	.04	29,900	37.2
Salt	143,060	117,450	.05	82	−7.3	−7.1	154,330	126,420	.05	82	86,180	.05	20,080	23.3
Spices	490,670	370,840	.15	76	2.3	2.7	479,630	361,090	.16	75	262,120	.14	124,500	47.5
Dressings, Spreads	$ 2,024,170	$ 1,688,300	.70	83	4.4	4.6	$ 1,939,530	$ 1,614,060	.70	83	1,268,685	.69	225,520	17.8
Pourable Salad Dressings	731,370	634,920	.26	87	5.1	5.2	695,880	603,540	.26	87	465,900	.25	124,860	26.8
Spoonable Salad Dressings	395,230	347,040	.14	88	7.1	7.3	369,030	323,430	.14	86	274,470	.14	37,600	13.7
Mayonnaise	726,620	580,910	.24	80	3.5	3.6	702,050	560,720	.24	80	426,270	.23	37,500	8.8
Sandwich Spreads	48,740	43,080	.02	88	−1.3	−1.2	49,380	43,598	.02	88	31,610	.02	7,110	22.5
Vinegar	122,200	82,360	.03	67	− .8	− .5	123,190	82,770	.04	67	70,435	.04	18,450	26.2
Relishes & Appetizers	$ 1,132,910	$ 763,180	.32	67	8.7	8.6	$ 1,041,820	$ 702,570	.30	67	579,970	.31	176,180	30.4
Bottled Green Olives	150,680	125,980	.05	84	.9	1.1	149,340	124,610	.05	83	102,440	.06	36,360	35.5
Canned Ripe Olives	151,980	134,060	.06	88	13.8	14.2	133,550	117,390	.05	88	108,330	.06	36,180	33.4
Pickled Cucumbers, Tomatoes, Peppers[27]	726,900	415,940	.17	57	10.1	10.2	660,220	377,440	.16	57	305,200	.16	87,900	28.8
Relishes & Mixed Pickles	103,340	87,210	.04	84	4.7	4.9	98,700	83,130	.04	84	64,000	.03	15,740	24.6
Spaghetti Sauces	$ 993,370	$ 874,590	.36	88	11.9	11.3	$ 887,860	$ 785,850	.34	89	601,935	.33	129,420	21.5
Meatless	858,310	768,180	.32	89	11.9	11.2	767,030	690,810	.30	90				
With Meat	123,880	97,550	.04	79	12.6	12.8	110,020	86,480	.04	79				
With Clams	11,180	8,860	.00	79	3.4	3.5	10,820	8,560	.00	79				
Desserts	**$ 601,970**	**$ 526,820**	**.22**	**88**	**.7**	**.7**	**$ 598,110**	**$ 523,150**	**.23**	**87**	**400,000**	**.22**	**93,720**	**23.4**
Packaged Gelatin[28]	207,740	189,690	.08	91	−1.9	−1.8	211,760	193,160	.08	91	144,160	.08	30,270	21.0
Prepared Puddings[29]	284,430	241,460	.10	85	2.9	3.0	276,520	234,510	.10	85	183,100	.10	41,750	22.8
Instant	98,760	82,520	.03	84	2.6	2.7	96,260	80,350	.03	83				
Other Prepared Puddings	185,670	158,940	.07	86	3.0	3.1	180,260	154,160	.07	86				
Dried Toppings	21,990	20,800	.01	95	−15.3	−13.7	25,960	24,100	.01	93	15,840	.01	4,800	30.3
Ice Cream & Dessert Toppings	87,810	74,880	.03	85	4.7	4.9	83,870	71,380	.03	85	56,900	.03	16,900	29.7
Dried Foods	**$ 2,850,660**	**$ 2,224,980**	**.92**	**78**	**.2**	**1.7**	**$ 2,844,330**	**$ 2,187,820**	**.95**	**77**	**1,630,000**	**.89**	**441,030**	**27.1**
Dried Vegetables & Fruits	$ 1,817,710	$ 1,315,320	.55	72	−2.5	−1.4	$ 1,864,860	$ 1,333,610	.58	72	943,280	.51	258,030	27.4
Beans & Peas	482,130	244,220	.10	51	−14.0	−13.8	560,620	283,320	.12	51	138,300	.08	40,100	29.0
Fruits	594,630	441,980	.18	74	7.4	6.5	553,500	415,120	.18	75	323,900	.18	94,580	29.2
Apricots	30,540	21,260	.01	70	9.7	9.8	27,840	19,360	.01	70				

[25] Includes baked beans.

[26] Excludes chili, seafood, cocktail and spaghetti sauces.

[27] Includes pickles of all types as well as pickled tomatoes, peppers, and the like. Mixed pickles are included in relishes.

[28] Both flavored and unflavored.

[29] Includes corn starch puddings, tapioca, rennet.

HIGH LIGHTS

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1983 Value[1] of Total Domestic Consumption	1983 Amount Spent in Grocery Stores[2]	1983 % of Total Store	1983 % Gro[2] to Total	Percentage Change From '82 to '83 Total[1]	Percentage Change From '82 to '83 Grocery[2]	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Total Store	1982 % Gro.[2] to Total	1983 Supermarket Performance Amount Spent in Supermarkets	1983 Supermarket Performance % of Total Supermarket	1983 Supermarket Performance $ Margin	1983 Supermarket Performance % Margin
Dates	37,010	29,130	.01	79	3.8	3.9	35,650	28,040	.01	79	323,900	.18	94,580	29.2
Figs	8,130	5,770	.00	71	6.5	6.7	7,630	5,410	.00	71				
Raisins	389,850	287,720	.12	74	9.3	7.8	356,680	266,900	.12	75				
Prunes	102,020	79,030	.03	77	2.3	2.4	99,730	77,180	.03	77				
Other Dried Fruits	27,090	19,070	.01	70	4.3	4.6	25,970	18,230	.01	70				
Instant Mashed Potatoes	138,700	129,560	.05	93	3.4	3.9	134,140	124,700	.05	93	94,950	.05	27,900	29.4
Other Instant Potatoes	50,010	45,680	.02	91	3.2	3.8	48,460	44,010	.02	91	33,480	.02	10,110	30.2
Rice	552,230	453,880	.19	82	−2.8	−2.7	568,140	466,470	.20	82	352,650	.19	85,340	24.2
Other Dried Foods	$ 1,032,950	$ 909,670	.38	88	5.5	6.5	$ 979,470	$ 854,210	.37	87	686,720	.38	183,000	26.6
Cured Fish	196,690	125,650	.05	64	5.6	6.1	186,260	118,430	.05	64	92,100	.05	26,150	28.4
Dry Gravy Mixes	62,200	58,910	.02	95	8.7	9.4	57,220	53,850	.02	94	43,180	.02	15,110	35.0
Dry Dinner Mixes	529,570	502,510	.21	95	4.3	5.7	507,740	475,410	.21	94	368,290	.20	90,230	24.5
Breading Mixes	97,540	82,070	.03	84	3.3	2.4	94,420	80,150	.03	85	60,150	.03	17,560	29.2
Dry Stuffing Mixes	146,950	140,520	.06	96	9.8	11.2	133,830	126,370	.05	94	123,000	.07	33,950	27.6
Fats & Shortening[30]	$ 1,888,630	$ 1,512,770	.63	80	3.6	4.2	$ 1,823,400	$ 1,452,220	.63	80	1,100,000	.60	190,490	17.3
Cooking & Salad Oils	1,136,310	919,730	.38	81	3.8	4.1	1,094,710	883,510	.38	81	670,000	.37	123,950	18.5
Lard	157,110	68,100	.03	43	−3.4	−3.5	162,640	70,570	.03	43	49,500	.03	15,840	32.0
Olive Oil	71,240	66,050	.03	93	9.4	9.6	65,120	60,260	.03	93	48,000	.03	10,800	22.5
Shortening[31]	523,970	45,900	.19	88	4.6	4.8	500,930	437,880	.19	87	332,500	.18	39,900	12.0
Jams, Jellies, Preserves	$ 2,320,880	$ 1,869,190	.78	81	−2.4	−2.1	$ 2,378,440	$ 1,909,460	.83	80	1,340,000	.73	333,880	24.9
Citrus Marialade	13,050	861,060	.36	86	3.4	2.1	12,630	843,350	.37	86	617,400	.34	172,870	28.0
Fruit Butter	6,720				1.6		6,610							
Jams, Preserves	710,350				1.8		688,950							
Jellies	283,030				2.1		277,210							
Honey	229,310	160,990	.07	70	−1.9	−1.8	233,750	163,940	.07	70	115,430	.06	30,470	26.4
Peanut Butter	1,087,420	847,150	.35	78	−6.2	−6.1	1,159,300	902,180	.39	78	607,170	.33	130,540	21.5
Snacks	$ 6,339,420	$ 3,880,110	1.61	61	5.3	5.6	$ 6,020,270	$ 3,673,250	1.59	61	2,500,000	1.37	748,360	29.9
Corn Chips	934,770	686,850	.28	73	12.1	12.4	833,870	611,080	.26	73	462,530	.25	134,130	29.0
Packaged Unpopped Popcorn	192,390	169,090	.07	88	2.3	2.5	188,060	164,970	.07	88	108,940	.06	34,640	31.8
Popped Popcorn	280,210	205,870	.09	73	4.6	4.8	267,890	196,440	.09	73	112,640	.06	35,370	31.4
Pork Rinds	200,580	174,900	.07	87	1.8	1.9	197,030	171,640	.07	87	112,690	.06	34,260	30.4
Potato Chips	2,808,240	1,536,160	.64	55	7.1	7.3	2,622,070	1,431,650	.62	55	989,820	.54	294,970	29.8
Pretzels	337,430	301,360	.13	89	1.2	1.4	333,430	297,200	.13	89	194,160	.10	59,220	30.5
Snack Nuts[32]	1,585,810	805,870	.33	51	.6	.7	1,577,920	800,270	.35	51	519,220	.28	115,770	30.0
Sweeteners, Flavors	$ 2,774,700	$ 2,269,990	.94	82	4.6	5.1	$ 2,653,820	$ 2,160,730	.94	81	1,660,000	.91	239,360	14.4
Flavoring Extracts	149,750	100,130	.04	67	−6.0	−5.7	159,240	106,230	.05	67	73,250	.04	26,030	36.2
Vanilla Extract	89,650	61,210	.03	68	−6.2	−5.9	95,580	65,050	.03	68	44,780	.02	14,780	33.0
Other Flavoring Extracts	60,100	38,920	.02	66	−5.6	−5.5	63,660	41,190	.02	65	28,470	.02	11,250	39.5
Marshmallow Cream	11,140	10,100	.00	91	−4.4	−4.2	11,650	10,540	.00	90	7,390	.00	1,920	26.0
Packaged Molasses	22,580	19,410	.01	86	.5	.6	22,470	19,300	.01	86	14,200	.01	4,000	28.2
Sugar	1,983,480	1,669,510	.69	84	3.3	3.5	1,920,120	1,613,050	.70	84	1,170,690	.64	113,550	9.7
Synthetic Sweeteners	215,660	179,100	.07	83	41.4	44.9	152,520	123,600	.05	81	131,030	.07	35,900	27.4
Table Syrup	392,080	291,740	.12	74	1.1	1.3	387,820	288,000	.12	74	263,440	.14	57,960	22.0
All Other Dry Groceries[33]	$ 424,560	$ 405,060	—	—	—	—	$ 197,250	$ 172,420	—	—	—	—	—	—
Duplication[34]	$ 980,810	$ 829,480	.34	85	13.6	14.2	$ 863,460	$ 726,600	.32	84	—	—	—	—
Total Dry Groceries—Food	$111,961,140	$ 68,819,450	28.55	61	4.0	5.2	$107,711,450	$ 65,425,110	28.37	61	49,095,500	26.8	610,750,330	21.9
Total Foods[35]	$289,813,200	$185,221,230	76.85	64	3.7	4.6	$279,565,970	$177,059,360	76.77	63	141,577,240	77.46	36,343,850	25.7

WHAT CONSUMERS SPEND FOR HOUSEHOLD, PET, TOBACCO PRODUCTS

Household Supplies	$ 12,460,260	$ 9,457,690	3.92	76	6.3	6.9	$ 11,727,100	$ 8,850,070	3.84	75	6,610,000	3.61	1,528,450	23.1
Laundry Supplies	955,450	879,870	.37	92	4.1	4.2	918,100	844,670	.37	92	620,000	.34	129,880	21.0
Bleaches	302,490	280,660	.12	93	4.4	4.5	289,720	268,530	.12	93	197,950	.11	31,670	16.0
Liquid	256,030	238,630	.10	93	4.3	4.4	245,480	228,570	.10	93				
Dry	46,450	42,040	.02	90	5.0	5.2	44,240	39,960	.02	90				
Bluing	4,640	3,880	.00	84	3.2	3.4	4,500	3,750	.00	83	2,750	.00	810	29.5
Fabric Softeners	567,020	521,780	.22	92	3.4	3.5	548,370	504,130	.22	92	367,500	.20	82,690	22.5
Laundry Starch	81,310	73,550	.03	90	7.7	7.8	75,510	68,260	.03	90	51,800	.03	14,710	28.4
Dry	3,820	3,400	.00	89	1.3	1.2	3,770	3,360	.00	89				
Sprays	64,170	57,760	.02	90	8.7	8.8	59,030	53,090	.02	90				
Other Liquids	13,330	12,390	.01	93	4.8	4.9	12,720	11,810	.01	93				
Soaps & Detergents	$ 5,588,770	$ 5,063,270	2.10	91	7.6	7.9	$ 5,194,350	$ 4,690,830	2.03	90	3,695,000	2.02	691,570	18.7
Cleansers (scouring)	321,230	250,540	.10	78	3.9	4.2	309,170	240,440	.10	78	182,840	.10	37,480	20.5

[30] Margarine included with dairy.

[31] Vegetable shortening and shortening compounds.

[32] Includes bulk nuts.

[33] Includes new products and products not classified elsewhere.

[34] For Infant Formulas also listed under HBA

[35] Edibles for human consumption. Excludes pet foods.

— Not Available

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Total Store	% Gro² to Total	Total¹	Grocery²	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Total Store	% Gro.² to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Laundry Bar Soap	5,370	4,240	.00	79	−4.5	−4.0	5,620	4,410	.00	78	3,090	.00	790	25.6
Soap Flakes, Chips, Powders	42,240	39,710	.02	94	3.9	4.2	40,660	38,110	.02	94	28,980	.02	5,270	18.2
Liquid Detergents	1,664,400	1,552,110	.64	93	6.9	9.2	1,529,000	1,421,110	.62	93	1,132,750	.62	219,070	19.3
Heavy Duty	506,740	469,190	.19	93	8.3	8.8	467,900	431,240	19	92	342,410	.19	55,470	16.2
Other Liquids	1,157,660	1,082,920	.45	94	9.1	9.4	1,061,100	989,870	.43	93	790,340	.43	163,600	20.7
Other Detergents	2,360,950	2,234,770	.93	95	7.7	8.0	2,192,250	2,069,830	.90	94	1,630,740	.89	269,030	16.5
Dishwasher Compounds	414,850	364,590	.15	88	8.8	9.1	381,300	334,180	.14	88	266,080	.15	56,140	21.1
Other Dry Low Sudsing	847,530	797,990	.33	94	8.2	8.5	783,300	735,480	.32	94	1,364,660	.75	212,890	15.6
Other Dry Detergents	1,098,560	1,072,190	.44	98	6.9	7.2	1,027,660	1,000,180	.43	97				
Toilet Soaps & Detergents	1,080,550	917,090	.38	85	7.4	7.4	1,006,500	853,930	.37	85	669,290	.37	148,580	22.2
Deodorant Soaps & Bars	502,260	491,300	.20	98	5.4	5.6	476,530	465,240	.20	98				
Liquid Soaps	146,550	91,380	.04	62	13.1	15.4	129,580	79,180	.03	61				
Bath Soaps	292,440	227,710	.09	78	4.6	4.8	279,580	217,280	.09	78				
Bath Detergents	139,310	106,710	.04	77	15.3	15.7	120,820	92,230	.04	76				
Water Softener Salt	114,030	64,830	.03	57	2.6	2.8	111,140	63,060	.03	57	47,310	.03	11,350	24.0
Other Cleaners, Cleansers & Supplies	**$ 2,687,750**	**$ 1,717,390**	.71	64	7.2	7.6	**$ 2,507,650**	**$ 1,596,040**	.69	64	1,220,000	.67	346,940	28.4
All-Purpose Cleaners (Liquids)	600,810	516,950	.21	86	9.2	9.7	550,200	471,240	.20	86	367,120	.20	86,270	23.5
Cellulose Sponges	103,500	77,300	.03	75	10.1	7.4	94,010	71,980	.03	77	54,920	.03	20,980	38.2
Spot Cleaning Fluids	35,690	15,220	.01	43	1.2	2.2	35,270	14,890	.01	42	10,810	.01	3,500	32.4
Drain Pipe Solvents	26,550	24,500	.01	92	5.9	6.2	25,070	23,070	.01	92	17,400	.01	5,220	30.0
Household Ammonia	48,780	33,840	.01	69	− .9	− .8	49,230	34,120	.01	69	24,040	.01	7,240	30.1
Household Brooms	145,780	104,060	.04	71	5.2	5.4	138,580	98,730	.04	71	73,930	.04	29,720	40.2
Household Disinfectants	239,430	180,700	.07	75	3.7	4.5	231,000	172,870	.07	75	128,390	.07	34,150	26.6
Aerosol	189,490	140,120	.06	74	3.9	4.8	182,380	133,700	.06	73				
Non-Aerosol	49,930	40,580	.02	81	2.7	3.6	48,620	39,170	.02	81				
Household Deodorizers	282,430	158,860	.07	56	8.7	9.4	259,780	145,160	.06	56	112,870	.06	30,930	27.4
Aerosol	81,710	58,720	.02	72	11.3	11.8	73,410	52,520	.02	72				
Non-Aerosol	200,720	100,140	.04	50	7.7	8.1	186,370	92,640	.04	50				
Rug Cleaners	67,720	48,900	.02	72	−2.1	−1.9	69,180	49,850	.02	72	34,740	.02	10,560	30.4
Oven Cleaners	71,400	67,040	.03	94	8.4	8.6	65,870	61,730	.03	94	47,630	.03	12,150	25.5
Steel Wool & Wire Sponges[36]	112,710	103,010	.04	91	4.2	4.6	108,170	98,480	.04	91	73,190	.04	22,100	30.2
Toilet Bowl Cleaners	94,630	80,370	.03	85	20.1	19.8	78,790	67,090	.03	85	57,100	.03	16,560	29.0
Vacuum Cleaner Bags	647,820	147,130	.06	23	7.4	8.2	603,180	135,980	.06	23	104,530	.06	37,100	35.5
Wall & Floor Cleaners[37]	48,750	43,170	.02	89	3.8	3.3	46,960	41,790	.02	89	30,670	.02	8,650	28.2
Window Cleaners	69,300	60,980	.03	88	9.6	9.4	63,230	55,740	.02	88	43,320	.02	11,780	27.2
All Other Cleaners[38]	92,450	55,370	.02	60	3.7	3.8	89,150	53,340	.02	60	39,340	.02	10,030	25.5
Home Canning Supplies	**$ 104,800**	**$ 85,890**	.04	82	−19.9	−20.5	**$ 130,780**	**$ 108,010**	.05	83	65,000	.04	23,400	36.0
Caps, Lids, Bands	56,720	49,180	.02	87	−18.7	−18.9	69,770	60,640	.03	87				
Jars	48,080	36,710	.02	76	−21.2	−22.5	61,020	47,360	.02	78				
Pesticides	**$ 385,790**	**$ 266,090**	.11	69	6.0	6.5	**$ 364,080**	**$ 249,880**	.11	69	190,000	.10	65,550	34.5
Aerosol	259,290	181,020	.08	70	6.7	6.9	243,010	169,340	.07	70				
Liquids (non-aerosol)	50,780	35,900	.01	71	7.4	8.1	47,280	33,210	.01	70				
Pastes, Solids, Strips	35,230	24,190	.01	69	−3.4	−3.2	36,470	24,990	.01	69				
Personal Insect Repellents	40,490	24,970	.01	62	8.5	11.8	37,320	22,340	.01	60				
Waxes & Polishes	**$ 386,340**	**$ 296,470**	.12	77	2.4	3.2	**$ 377,490**	**$ 287,270**	.12	76	210,000	.11	60,690	28.9
Furniture Polish	225,570	172,100	.07	76	3.8	5.2	217,310	163,590	.07	75	122,400	.07	34,760	28.4
Liquid Floor Wax	7,200	4,220	.00	59	−6.1	−5.9	7,660	4,480	.00	58	87,600	.05	25,930	29.6
Paste Floor Wax	5,230	3,430	.00	66	.6	.7	5,200	3,400	.00	65				
Self-Polishing Floor Wax	148,340	116,720	.05	79	.7	.8	147,310	115,800	.05	79				
Other Household Supplies	**$ 2,192,670**	**$ 1,071,240**	.44	49	6.1	8.0	**$ 2,067,090**	**$ 992,020**	.43	48	560,000	.31	195,190	34.8
Charcoal Briquets	349,140	303,690	.13	87	7.8	9.4	323,880	277,600	.12	86	158,500	.09	37,130	23.4
Fireplace Logs	65,120	42,790	.02	66	−12.9	−9.8	74,770	47,440	.02	63	22,340	.01	6,480	29.0
Charcoal Lighter	123,440	88,570	.04	72	5.3	6.4	117,220	83,240	.04	71	46,230	.03	12,300	26.6
Electric Light Bulbs[39]	963,670	420,680	.17	44	11.6	11.8	863,500	376,460	.16	44	220,990	.12	92,800	42.0
Electric Christmas Bulbs & Sets	236,110	27,560	.01	12	−3.3	− .9	244,170	27,810	.01	11	14,390	.01	6,480	45.0
Household Tints & Dyes	45,990	4,180	.00	9	.8	.9	45,620	4,140	.00	9	2,180	.00	920	42.2
Boxed Matches	28,480	19,070	.01	67	2.1	2.2	27,900	18,660	.01	67	9,500	.01	2,850	30.0
Household Glue	22,180	3,100	.00	14	4.4	2.9	21,250	3,010	.00	14	1,600	.00	610	38.1
Shoe Polish	224,130	69,110	.03	31	.5	.5	222,980			31	36,070	.02	14,610	40.5
White Shoe Polish	11,340	69,110	.03	32	.8	.5	11,250	68,770	.03	32				
All Other Shoe Polish	212,790				.5		211,730							
Gloves	134,400	92,290	.04	69	6.8	8.7	125,800	84,890	.04	67	48,200	.03	20,970	43.5
Household Gloves	53,510	19,890	.01	37	6.3	8.4	50,340	18,350	.01	36				
Rubber Gloves	80,890	72,400	.03	89	7.2	8.8	75,460	66,540	.03	88				
Household Supplies, n.c.e.	**$ 159,700**	**$ 77,470**	.03	49	−4.7	−4.7	**$ 167,580**	**$ 81,290**	.04	49	50,000	.03	15,000	30.0
Paper, Plastic, Foil Products	**$ 9,434,610**	**$ 8,061,850**	3.34	85	4.8	4.3	**$ 8,999,550**	**$ 7,729,020**	3.35	86	5,937,000	3.25	1,139,080	19.2
Cleansing & Facial Tissue	754,600	665,550	.28	88	5.4	5.7	715,940	629,660	.27	88	489,840	.27	90,620	18.5

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[36] Includes soap cakes and pads. Excludes plastics.

[37] Chemical heavy duty household cleaners for walls, woodwork and floors. Excludes liquids.

[38] Includes borax, water softeners and similar items.

[39] 200 watt and under including non-residential use. Grocery store sales estimated at 70% of residential.

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Coffee Filters	68,210	63,310	.03	93	12.7	13.2	60,520	55,930	.02	92	46,600	.02	12,120	26.0
Disposable Diapers	2,386,920	1,758,490	.73	74	12.8	11.1	2,116,070	1,582,800	.69	75	1,294,250	.71	143,660	11.1
Pre-Moistened Wipes	100,740	81,600	.03	81	23.3	23.6	81,700	66,020	.03	81	60,060	.03	16,700	27.8
Paper Cups[40]	341,960	269,540	.11	79	4.1	4.6	328,490	257,680	.11	78	198,380	.11	60,900	30.7
Paper Plates	466,610	372,270	.15	80	5.2	5.8	443,550	351,860	.15	79	273,990	.15	88,770	32.4
Paper Towels	1,471,390	1,359,200	.56	92	.5	.8	1,464,070	1,348,410	.58	92	1,000,370	.55	185,100	18.5
Toilet Paper	2,127,970	2,025,590	.84	95	.7	1.0	2,113,180	2,005,530	.87	95	1,420,830	.78	260,100	18.3
Freezer Paper	18,200	15,110	.01	83	.6	.8	18,100	14,990	.01	83	11,120	.01	3,560	32.0
Paper Napkins	387,240	365,970	.15	95	.5	.7	385,310	363,420	.16	94	269,350	.15	61,410	22.8
Sandwich Bags	7,420	6,760	.00	91	1.2	1.5	7,330	6,660	.00	91	4,980	.00	1,470	29.5
Shelf Paper	1,860	1,220	.00	65	−4.8	−4.1	1,960	1,270	.00	65	890	.00	250	28.0
Waxed Paper	41,050	35,290	.01	86	.2	.3	40,970	35,190	.02	86	25,970	.01	5,040	19.4
Other Paper Products[41]	138,080	40,540	.02	29	2.2	2.4	135,110	39,590	.02	29	29,840	.02	8,060	27.0
Household Aluminum Foil	415,990	371,500	.15	89	2.8	2.7	404,660	361,730	.16	89	293,420	.16	56,340	19.2
Plastic Film Wraps & Bags	706,360	629,930	.26	89	3.5	3.6	682,610	608,280	.26	89	517,110	.28	144,980	28.0
Plastic Bags	501,860	444,850	.18	89	1.7	1.8	493,260	437,030	.19	89	400,750	.22	115,660	28.9
Garbage Disposal	295,340	260,060	.11	88	3.0	3.1	286,740	252,240	.11	88	241,400	.13	71,210	29.5
All Other Plastic Bags	206,520	184,790	.08	89	2.6	2.5	201,290	180,280	.08	90	159,350	.09	44,450	27.9
Plastic Film Wraps[42]	204,500	185,080	.08	91	5.3	5.1	194,580	175,760	.08	90	116,360	.06	29,320	25.2
Pet Foods[43]	$ 5,503,680	$ 5,062,820	2.10	92	6.3	6.9	$ 5,177,700	$ 4,736,870	2.05	91	3,590,000	1.96	801,340	22.3
Canned Pet Food	1,820,320	1,731,070	.72	95	4.6	5.3	1,740,090	1,644,210	.71	94	1,227,310	.67	265,080	21.6
Canned Cat Food	921,740	875,900	.36	95	8.5	9.6	849,530	799,180	.35	94	621,013	.34	132,900	21.4
Canned Dog Food	898,580	855,170	.35	95	.9	1.2	890,570	845,030	.37	95	606,310	.33	132,180	21.8
Dry Pet Food	2,544,130	2,337,710	.97	92	7.2	8.0	2,373,570	2,164,870	.94	91	1,657,920	.91	345,660	20.8
Dry Cat Food	686,740	628,260	.26	91	5.3	7.4	652,180	584,970	.25	90	445,440	.24	97,100	21.8
Dry Dog Food	1,857,380	1,709,450	.71	92	7.9	8.2	1,721,390	1,579,900	.69	92	1,212,480	.66	248,560	20.5
Semi-Moist Pet Food	517,300	474,170	.20	92	1.8	2.1	508,400	464,500	.20	91	336,180	.18	76,310	22.7
Semi-Moist Cat Food	264,090	237,650	.10	90	20.4	21.8	219,340	195,110	.08	89	168,490	.09	38,750	23.0
Semi-Moist Dog Food	253,220	236,520	.10	93	−12.4	−12.2	289,060	269,390	.12	93	167,690	.09	37,560	22.4
Pet Snacks	308,250	291,260	.12	94	9.9	10.7	280,480	263,110	.11	94	206,500	.11	66,490	32.2
Cat Litter	313,680	228,610	.09	73	14.0	14.2	275,160	200,180	.09	73	162,080	.09	47,800	29.5
Tobacco Products	$ 22,658,030	$ 9,900,850	4.11	44	14.0	15.3	$ 19,883,050	$ 8,588,490	3.72	43	6,930,000	3.79	1,016,430	14.7
Cigarettes	20,906,750	9,341,270	3.88	45	14.9	15.9	18,199,190	8,059,770	3.49	44				
Filter-Tipped	19,538,410	9,341,270	3.88	48	15.4	15.9	16,931,030	8,059,770	3.49	48	6,814,450	3.73	988,100	14.5
Other Cigarettes	1,368,350				7.9		1,268,160							
Cigars	695,930	86,960	.04	12	.3	.4	693,849	86,610	.04	12	45,040	.02	10,990	24.4
Tobacco & Snuff	1,055,350	472,620	.20	45	6.6	6.9	990,010	442,110	.19	45	70,500	.04	17,340	24.6
Other Groceries n.c.e.	809,090	766,190	—	—	—	—	1,551,230	1,394,420	—	—	—	—	—	—
Total Nonfood Groceries	$ 50,865,670	$ 33,249,390	13.80	65	7.5	6.2	$ 47,338,640	$ 31,298,870	13.57	66	23,067,200	12.62	4,485,300	19.4
Total Foods & Grocery Products	$340,678,870	$218,470,620	90.64	64	4.2	4.9	$326,904,610	$208,358,230	90.34	64	164,644,440	90.04	40,829,150	24.8

WHAT CONSUMERS SPEND FOR GENERAL MERCHANDISE, HEALTH & BEAUTY AIDS

Health & Beauty Aids (non-Rx)	$ 25,798,089	$ 9,589,600	3.98	37	8.4	4.1	$ 23,800,760	$ 9,213,340	3.99	39	7,585,490	4.15	2,016,760	26.6
Dieting Aids	235,400	65,920	.03	28	−1.2	−1.6	238,230	67,000	.03	28	53,450	.03	18,440	34.5
Metered Calorie Products	31,000	12,320	.01	40	−1.8	−1.2	31,570	12,470	.01	39				
Reducing Preparations	204,390	53,600	.02	28	−1.1	−1.7	206,660	54,530	.02	26				
Cosmetics	$ 3,981,400	$ 494,190	.21	12	17.8	20.3	$ 3,378,990	$ 410,480	.18	12	380,530	.21	150,940	39.7
Eye Makeup Products	2,180,510	420,770	.17	19	20.8	22.6	1,805,240	343,170	.15	19	309,000	.17	122,050	39.5
Mascara	780,310	152,650	.06	20	22.2	24.7	638,550	122,410	.05	19				
Eyebrow Pencil	189,260	36,740	.02	19	17.3	18.6	161,350	30,980	.01	19				
Eye Shadow	993,340	189,170	.08	19	21.4	23.1	818,240	153,670	.07	19				
Other Eye Preparations & Accessories[44]	217,600	42,210	.02	19	16.3	16.9	187,100	36,110	.02	19				
Lipstick	1,087,600	38,280	.02	4	21.3	15.5	896,620	33,140	.01	4	29,840	.02	12,050	40.4
Makeup Bases	576,840	29,020	.01	5	5.8	3.0	545,300	28,170	.01	5	36,970	.02	14,860	40.2
Cake	58,920	3,200	.00	5	4.1	2.2	56,600	3,130	.00	6				
Lotion	341,500	17,630	.01	5	6.6	3.2	320,360	17,000	.01	5				
Cream	176,420	8,190	.00	5	4.8	2.9	168,340	7,960	.00	5				
Pressed Cake Powder & Blush	136,450	6,130	.00	4	3.5	2.1	131,840	6,010	.00	5	4,720	.00	1,980	42.0
Nail Care Products	$ 461,670	$ 80,790	.03	17	14.4	11.8	$ 403,610	$ 72,240	.03	18	63,820	.03	26,800	42.0
Manicure Implements	132,180	33,940	.01	26	8.7	5.2	121,600	32,260	.01	27				
Nail Polish & Enamel	275,450	35,300	.01	13	17.6	18.3	234,230	29,890	.01	13				
Nail Polish Remover	54,040	11,490	.00	21	13.1	13.9	47,780	10,090	.00	21				
Skin Care Products	$ 1,468,400	$ 344,600	.14	23	7.2	7.8	$ 1,370,380	$ 319,770	.14	23	273,270	.15	77,750	28.5

[40] Includes plastic and other non-paper disposables.

[41] Excludes aluminum or plastic which are listed separately below.

[42] Consumer size packages for household use only.

[43] Pet accessories listed under General Merchandise.

n.c.e. Not classified elsewhere.

[44] Includes false eyelash adhesives, liners, brushes, tweezers, etc. Excludes lotions and washes.

— Not Available

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures) PRODUCTS	1983 Value¹ of Total Domestic Consumption	1983 Amount Spent in Grocery Stores²	1983 % of Total Store	1983 % Gro² to Total	Percentage Change From '82 to '83 Total¹	Percentage Change From '82 to '83 Grocery²	1982 Value¹ of Total Domestic Consumption	1982 Amount Spent in Grocery Stores²	1982 % of Total Store	1982 % Gro.² to Total	1983 Supermarket Performance Amount Spent in Supermarkets	1983 Supermarket Performance % of Total Supermarket	1983 Supermarket Performance $ Margin	1983 Supermarket Performance % Margin
Face Cream	675,480	135,350	.06	20	8.2	9.4	624,290	123,720	.05	20	239,580	.13	69,000	28.8
Face Lotions & Astringents	111,830	12,420	.01	11	10.3	11.8	101,390	11,110	.00	11				
Hand Creams	24,550	5,890	.00	24	6.1	8.9	23,140	5,410	.00	23				
Hand & Body Lotions	301,150	116,890	.05	39	5.6	7.3	285,180	108,940	.05	38				
Liquid Facial Cleansers	104,210	28,880	.01	28	4.2	4.6	100,010	27,610	.01	28				
Suntan/Sunscreen Products	220,580	36,620	.02	17	6.2	4.3	207,700	35,110	.02	17	27,280	.01	6,960	25.5
Lip Protectors	30,590	8,550	.00	28	6.7	8.6	28,670	7,870	.00	27	6,410	.00	1,790	27.9
Hair Products[45]	$ 3,622,370	$ 1,411,570	.59	39	5.1	6.2	$ 3,445,510	$ 1,329,370	.58	39	1,093,970	.59	345,440	31.6
Coloring Preparations	566,180	83,730	.03	15	6.0	5.0	533,970	79,730	.03	15	65,300	.04	17,110	26.2
Rinses	89,520	15,970	.01	18	8.4	5.5	82,580	15,140	.01	18				
Tints & Dyes	476,660	67,760	.03	14	5.6	4.9	451,380	64,590	.03	14				
Cream Rinses	150,420	82,210	.03	55	4.2	4.8	144,350	78,450	.03	54	68,150	.04	19,220	28.2
Dandruff Rinses	16,030	5,720	.00	36	1.6	1.2	15,780	5,660	.00	36				
Men's Hair Dressings	116,700	57,080	.02	49	3.3	3.3	113,010	55,240	.02	49	41,100	.02	12,120	29.5
Aerosol	37,110	16,190	.01	44	4.7	3.9	35,440	15,590	.01	44				
Other Men's Hair Dressings	79,590	40,890	.02	51	2.6	3.1	77,570	39,660	.02	51				
Shampoos	1,169,710	701,600	.29	60	7.3	8.6	1,090,330	646,310	.28	59	543,740	.30	160,760	29.6
Medicated Shampoo	289,530	152,530	.06	53	7.8	10.3	268,580	138,280	.06	51				
Baby Shampoo	84,130	56,850	.02	66	7.6	8.4	78,190	52,450	.02	67				
Color Shampoo	17,440	4,080	.00	23	1.1	1.7	17,250	4,010	.00	23				
Other Shampoo	778,610	488,150	.20	63	7.2	8.1	726,310	451,570	.20	62				
Women's Hair Spray	302,570	139,820	.06	46	6.2	6.6	284,910	131,170	.06	46	110,450	.06	30,260	27.4
Waveset Preparations	23,830	6,590	.00	28	26.0	17.8	18,910	5,590	.00	30	5,110	.00	1,490	29.2
Women's Hair Dressings & Conditioners	258,190	117,790	.05	46	−3.6	−3.2	267,830	121,690	.05	45	91,300	.05	24,100	26.4
Other Hair Dressings	45,420	11,610	.00	26	5.7	8.2	42,970	10,730	.00	25	9,200	.01	2,670	29.0
Barrettes	80,140	10,010	.00	12	.6	4.4	79,660	9,590	.00	12	137,950	.07	71,460	51.8
Bobby Pins	41,430	10,630	.00	26	1.2	.6	40,940	10,560	.00	26				
Combs	144,960	15,780	.01	11	7.9	6.2	134,340	14,860	.01	11				
Curlers & Rollers	145,200	27,840	.01	19	2.7	1.2	141,380	27,510	.01	19				
Hair Brushes	281,940	91,550	.04	32	8.3	11.3	260,330	82,250	.04	32				
Hair Nets	37,700	4,230	.00	11	3.9	4.5	36,290	4,050	.00	11				
Pin Curl Clips	27,910	9,590	.00	34	1.8	.7	27,410	9,520	.00	35				
Pony Tailers	72,970	8,370	.00	11	5.8	2.9	68,970	8,130	.00	12				
Home Permanent Kits, Refills	141,100	27,430	.01	19	−2.1	−3.2	144,120	28,340	.01	20	21,670	.01	6,250	28.8
Health Aids	$ 981,500	$ 444,750	.18	45	6.8	8.2	$ 919,250	$ 411,000	.18	45	364,700	.20	120,850	33.1
Baby Oils & Lotions	106,080	83,020	.03	78	4.6	5.2	101,410	78,920	.03	78	68,100	.04	20,770	30.5
Baby Pants	104,590	17,180	.01	16	3.2	.8	101,350	17,050	.01	17	14,090	.01	6,340	45.0
Baby Powder	87,760	43,360	.02	49	5.1	3.3	83,500	41,970	.02	50	35,550	.02	9,420	26.5
Diaper Rash Products	30,240	16,020	.01	53	13.2	14.8	26,710	13,960	.01	52	13,130	.01	3,940	30.0
Cotton Swabs	76,070	45,080	.02	59	11.3	13.4	68,340	39,750	.02	58	36,950	.02	11,200	30.3
Fever Thermometers	29,030	9,630	.00	33	12.6	14.2	25,780	8,430	.00	33	7,850	.01	3,180	40.5
First Aid Products	460,800	200,050	.08	43	6.7	9.1	431,680	183,340	.08	42	164,110	.09	57,100	34.8
Adhesive Tape[46]	64,800	36,360	.02	56	5.9	8.1	61,190	33,630	.01	55				
Cotton Balls	67,860	24,510	.01	36	2.9	3.7	65,950	23,630	.01	36				
Other First Aid Cotton	30,320	12,700	.01	42	1.8	1.6	29,780	12,500	.01	42				
Gauze Bandages	40,740	9,730	.00	24	3.8	5.7	39,240	9,210	.00	23				
Adhesive Bandgages	170,940	86,220	.04	50	12.8	15.9	151,540	74,390	.03	49				
Gauze dressings	46,840	10,020	.00	21	5.7	6.6	44,310	9,400	.00	21				
First Aid Kits	39,300	20,520	.01	52	−.9	−.3	39,660	20,580	.01	52				
Nipples & Pacifiers	26,760	11,690	.00	44	13.7	16.2	23,540	10,060	.00	43	9,580	.01	3,400	35.5
Nursing Bottles	28,010	5,230	.00	19	7.5	10.2	26,060	4,750	.00	18	4,290	.00	1,520	35.4
Glass	5,680	700	.00	12	4.8	.9	5,420	700	.00	13				
Plastic	22,320	4,530	.00	20	8.2	11.8	20,630	4,050	.00	20				
Disposable Bottle Liners	32,180	13,490	.01	42	4.2	5.6	30,890	12,770	.01	41	11,050	.01	3,980	36.0
Feminine Hygiene Products	$ 1,337,800	$ 807,010	.33	60	9.2	9.3	$ 1,224,970	$ 738,370	.32	60	613,330	.34	131,950	21.5
Douches	48,000	17,710	.01	36	9	1.1	48,560	17,510	.01	36	18,030	.01	5,590	31.0
Liquid Douches	29,510	9,650	.00	33	1.1	1.4	29,190	9,520	.00	33				
Powder Douches	19,490	8,050	.00	41	.6	.8	19,370	7,990	.00	41				
Sanitary Napkins	900,640	563,230	.23	63	10.6	10.7	814,320	508,790	.22	62	428,050	.23	88,730	20.7
Tampons	388,160	226,070	.09	58	7.2	6.6	362,090	212,070	.09	59	167,250	.09	37,630	22.5
Personal Cleanliness Items	$ 153,000	$ 32,740	.01	21	2.2	2.5	$ 150,760	$ 31,940	.01	21	25,860	.01	8,120	31.4
Bath Salts, Tablets, Oils, Bubble Bath	93,710	25,260	.01	27	3.1	3.0	90,890	24,530	.01	27	19,950	.01	6,420	32.2
Bubble Bath	44,490	16,030	.01	36	3.0	2.6	43,200	15,620	.01	36				
Other Salts, Tablets, Oils	49,220	9,240	.00	19	3.2	3.7	47,690	8,910	.00	19				
Talcum, Body Powder	60,290	7,480	.00	12	.7	.9	59,870	7,410	.00	12	5,910	.00	1,700	28.8
Infant Formulas	$ 980,810	$ 829,480	.34	85	13.6	14.2	$ 863,460	$ 726,600	.32	84	588,740	.32	51,220	8.7
Hypoallergenic Formulas[47]	221,250	188,390	.08	85	14.6	15.4	193,060	163,250	.07	85				
Routine Infant Formulas	759,560	641,090	.27	84	13.3	13.8	670,390	563,350	.24	84				
Oral Hygiene Products	$ 2,018,120	$ 1,084,930	.45	54	6.8	8.7	$ 1,890,320	$ 998,310	.43	53	847,330	.46	185,820	21.9

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[45] Excludes products sold for professional use

[46] Plastic and fabric rolls and spools only

[47] Includes soy isolate formulas

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Grs[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Grs.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Denture Products	278,500	114,580	.05	41	9.3	11.5	254,710	102,810	.04	40	90,060	.05	24,500	27.2
Denture Adhesives	128,140	45,880	.02	36	7.9	8.8	118,760	42,170	.02	36				
Denture Cleansers	150,360	68,710	.03	46	10.6	13.3	135,950	60,640	.03	45				
Mouthwashes & Gargles	445,130	228,380	.09	51	6.1	9.5	419,540	208,570	.09	50	179,300	.10	39,800	22.2
Breath Fresheners[48]	17,720	9,250	.00	52	11.8	11.4	15,850	8,300	.00	52	7,140	.00	2,390	33.5
Toothbrushes	256,060	82,340	.03	32	11.8	13.2	229,040	72,730	.03	32	64,970	.04	23,060	35.5
Toothpaste	961,030	626,130	.26	65	4.7	6.9	917,890	585,710	.25	64	500,840	.27	94,150	18.8
Tooth Powder	3,150	1,140	.00	36	−1.0	− .9	3,180	1,150	.00	36	890	.00	220	24.7
Dental Floss	56,540	23,120	.01	41	12.8	21.4	50,120	19,040	.01	38	4,130	.00	1,500	36.3
Packaged Medications	$ 5,402,890	$ 1,784,750	.74	33	16.3	12.5	$ 4,644,160	$ 1,585,970	.69	34	1,463,500	.80	378,830	25.9
Acne Preparations	166,740	30,460	.01	18	7.5	7.9	155,110	28,230	.01	18	24,900	.01	7,970	32.0
Aerosol Antiseptics	53,210	10,010	.00	19	9.3	10.1	48,680	9,090	.00	19	43,250	.02	15,350	35.5
External Antiseptics (Salves, Creams, Paste)	20,810	4,210	.00	20	7.7	8.2	19,320	3,890	.00	20				
Athlete's Foot Medications	72,750	17,560	.01	24	11.1	21.3	65,400	14,470	.01	22				
Poison Ivy Remedies	32,040	7,800	.00	24	27.2	13.8	25,190	6,850	.00	27				
Burn Remedies	46,700	13,350	.01	29	8.2	7.5	43,160	12,420	.01	29				
Antacids	370,570	183,390	.08	49	7.6	10.6	344,280	165,840	.07	48	150,000	.08	40,820	27.2
Liquid Antacids	94,140	39,570	.02	42	6.3	10.7	88,560	35,746	.02	40				
Powder Antacids	4,860	2,040	.00	42	2.6	3.1	4,740	1,980	.00	42				
Tablets, Pills, Gums, Lozenges	103,120	56,410	.02	55	10.4	13.6	93,410	49,660	.02	53				
Effervescent Antacids	168,450	85,360	.04	51	6.9	8.8	157,580	78,450	.03	50				
Cold Tablets, Capsules	489,840	249,090	.10	51	18.4	20.2	413,720	207,230	.09	50	203,520	.11	53,730	26.4
Cough Medications	1,049,080	201,100	.08	19	11.5	11.1	941,150	180,960	.08	19	171,650	.09	47,200	27.5
Cough Drops, Lozenges, Troches	306,780	69,640	.03	23	8.7	9.4	282,180	63,680	.03	23				
Cough Drops	185,490	62,170	.03	34	8.6	9.5	170,800	56,780	.02	33				
Lozenges, Troches	121,290	7,470	.00	6	8.9	8.2	111,380	6,900	.00	6				
Syrups, Elixirs, Expectorants	478,340	96,140	.04	20	16.6	14.3	410,240	84,110	.04	21				
Salves, Ointments[49]	53,200	19,310	.01	36	6.2	6.4	50,090	18,150	.01	36				
Other Cough & Cold Remedies[50]	210,760	16,010	.01	8	6.1	6.6	198,640	15,020	.01	8				
Nasal Sprays	148,350	18,040	.01	12	11.3	11.5	133,290	16,180	.01	12	15,590	.01	4,430	28.4
Nose Drops	9,760	1,060	.00	11	5.2	.7	9,280	1,050	.00	11				
Analgesics	1,762,990	758,940	.31	43	10.4	11.2	1,596,480	682,410	.30	43	617,910	.34	140,620	22.8
Internal Analgesics[51]	1,638,690	723,510	.30	44	10.8	11.2	1,479,540	650,460	.28	44	588,960	.32	132,520	22.5
Regular Strength	577,330	244,490	.10	42	8.6	8.8	531,610	224,720	.10	42				
Extra Strength	708,790	339,860	.14	48	12.2	12.8	631,720	301,300	.13	48				
Pediatric	97,120	39,430	.02	41	9.5	10.2	88,690	35,780	02	40				
Arthritic	75,600	23,110	.01	31	13.5	12.2	66,610	20,600	.01	31				
Menstrual	49,760	22,360	.01	45	15.8	17.6	42,970	19,010	.01	44				
Sinus	130,090	54,250	.02	42	10.3	10.6	117,940	49,050	.02	42				
External Analgesics	124,310	35,430	.01	29	6.3	10.9	116,940	31,950	.01	27	28,950	.02	8,100	28.0
Salves, Ointments, Balms	124,310	35,430	.01	29	6.3	10.9	116,940	31,950	.01	27				
Diarrhea Remedies	94,250	48,760	.02	52	8.1	8.8	87,190	44,820	.02	51	39,840	.02	10,920	27.4
Hemorrhoidal Medications	157,370	43,730	.02	28	10.1	11.4	142,970	39,280	.02	27	35,700	.02	9,890	27.7
Suppositories	92,640	26,230	.01	28	10.7	12.2	83,690	23,360	.01	28				
Ointments	64,740	17,500	.01	27	9.2	10.1	59,280	15,700	.01	27				
Laxatives	503,830	112,290	.05	22	8.8	11.2	463,000	100,990	.04	22	91,740	.05	27,610	30.1
Tablets, Pills, Gums	138,930	45,570	.02	33	6.9	10.6	129,960	41,200	.02	32				
Milk of Magnesia Liquids	53,900	17,530	.01	33	2.9	4.4	52,390	16,790	.01	32				
Milk of Magnesia Tablets	10,840	5,600	.00	52	9.3	10.2	9,920	5,080	.00	51				
Mineral Oil	17,270	11,490	.00	44	4.7	5.9	16,490	10,850	.00	44				
Mineral Oil Emulsions	25,900				5.2		24,620							
Saline Preparations	11,310	1,310	.00	12	3.9	3.3	10,870	1,290	.00	12				
Bulk-Type Laxatives	118,970	16,320	.01	14	15.1	28.3	103,360	12,720	.01	12				
Stool Softeners	90,840	6,630	.00	7	11.5	16.3	81,470	5,700	.00	7				
Other Liquid Laxatives	35,860	7,850	.00	22	5.8	6.3	33,900	7,390	.00	22				
Eye Lotions, Washes	96,000	41,810	.02	44	9.5	10.3	87,670	37,910	.02	43	34,150	.02	9,390	27.5
Contact Lens Solutions	279,390	23,690	.01	8	23.5	34.2	226,230	17,650	.01	8	19,350	.01	6,580	34.0
Sleeping Aids (non-Rx)	46,210	19,460	.01	40	14.9	16.5	41,960	16,700	.01	40	15,900	.01	4,320	27.2
Vitamins & Tonics[52]	$ 1,293,960	$ 477,810	.20	37	11.4	16.2	$ 1,161,540	$ 411,220	.18	35	391,830	.02	143,000	36.5
Shaving Products	1,583,580	544,340	.23	34	7.8	7.5	1,469,280	506,560	.22	34	430,030	.21	118,630	27.6
After Shave Lotions	270,050	88,960	.04	33	7.4	8.3	251,450	82,150	.04	33	70,800	.04	21,030	29.7
Depilatories	21,080	7,910	.00	33	7.4	9.3	22,420	7,240	.00	32	6,290	.00	1,890	30.0
Pre-Shave Products	24,260	9,870	.00	41	7.5	7.8	22,560	9,150	.00	41	7,850	.00	2,320	29.5
Razor Blades[53]	637,580	299,260	.12	47	4.2	4.6	611,880	286,100	.12	47	236,240	.13	63,880	27.0
Razors	41,790	14,030	.01	35	−11.1	−12.4	47,010	16,700	.01	36	11,120	.01	3,150	28.3
Shaving Cream	227,420	101,510	.04	45	18.7	19.4	191,660	84,990	.04	44	79,700	.04	21,040	26.4
Aerosol Shaving Cream	222,670	100,480	.04	45	19.2	19.7	186,800	83,940	.04	45				
Non-Aerosol Shaving Cream	4,750	1,030	.00	22	−2.1	−2.0	4,860	1,050	.00	22				
Men's Cologne	358,390	22,200	.01	6	11.2	9.8	322,290	20,220	.01	6	18,030	.01	5,320	29.5

[48] Liquids and sprays only.

[49] Excludes analgesics.

[50] Includes antihistamines, room decongestants, inhaler tubes and other inhalants.

[51] Includes non-aspirin compounds.

[52] Total consumption excludes doctors' prescriptions and sales at equivalent retail prices to hospitals. Total vitamin market estimated by industry sources at $1.96 billion in 1983.

[53] Includes disposable razors.

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1983 Value[1] of Total Domestic Consumption	1983 Amount Spent in Grocery Stores[2]	1983 % of Total Store	1983 % Gro[2] to Total	Percentage Change From '82 to '83 Total[1]	Percentage Change From '82 to '83 Grocery[2]	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Total Store	1982 % Gro.[2] to Total	1983 Supermarket Performance Amount Spent in Supermarkets	1983 Supermarket Performance % of Total Supermarket	1983 Supermarket Performance $ Margin	1983 Supermarket Performance % Margin
Personal Deodorants, Antiperspirants	$ 993,780	$ 530,970	.22	53	12.5	14.1	$ 883,550	$ 465,200	.20	53	419,460	.23	110,740	26.4
Sticks	332,690	200,720	.08	60	24.1	23.4	268,080	162,560	.07	61				
Roll-Ons	302,040	133,500	.06	44	4.2	6.3	289,870	125,590	.05	43				
Feminine Sprays	7,870	3,770	.00	48	.9	1.2	7,800	3,720	.00	48				
Other Aerosols (Including Powder)	351,180	192,980	.08	55	10.5	11.4	317,810	173,230	.08	55				
Other Health & Beauty Aids	$ 1,282,430	$ 655,730	—	—	—	—	$ 2,228,220	$ 1,139,330			—		—	—
Prescriptions	$ 17,764,930	$ 1,414,480	.59	8	11.9	12.5	$ 15,875,720	$ 1,257,320	.55	8	1,414,480	.77	*	
Total HBA & Prescriptions	$ 43,563,000	$ 11,004,080	4.57	23	9.8	5.1	$ 39,676,470	$ 10,470,650	4.54	26	8,999,970	4.92	*	
Disposable Cigarette Lighters	$ 275,390	$ 109,680	.05	40	6.2	6.8	$ 259,310	$ 102,700	.04	40	88,750	.05	35,940	40.5
Flashlights & Batteries	$ 2,794,210	$ 422,280	.18	15	8.2	13.3	$ 2,582,450	$ 372,680	.16	14	375,400	.21	151,280	40.3
Flashlights	278,980	29,260	.01	10	8.2	5.9	257,830	27,630	.01	11				
Batteries	2,515,230	393,020	.16	16	8.2	13.9	2,324,610	345,060	.15	15				
Garden Seed Packets[54]	$ 137,020	$ 68,340	.03	50	− 5.3	− 4.9	$ 144,690	$ 71,860	.03	50	55,120	.03	26,180	47.5
Greeting Cards	$ 3,150,940	$ 309,730	.13	10	17.8	15.9	$ 2,674,820	$ 267,240	.12	10	300,000	.16	145,500	48.5
Housewares	$ 3,521,180	$ 308,760	.13	9	10.2	11.3	$ 3,196,140	$ 277,490	.12	9	2,550,000	1.39 (includes Other Housewares)	1,083,750	42.5
Bakeware	1,398,020	107,810	.04	8	7.8	9.7	1,296,860	98,280	.04	8				
Barbecue Grills	546,090	3,840	.00	1	11.5	14.2	489,770	3,360	.00	1				
Beverageware[55]	409,700	63,790	.03	16	14.1	11.4	359,070	57,260	.02	16				
Cutlery	459,390	42,300	.02	9	8.1	9.3	424,970	38,700	.02	9				
Food Preparation Glassware[55]	433,220	57,470	.02	13	15.5	16.3	375,080	49,410	.02	13				
Tableware	124,740	26,770	.01	21	9.9	10.8	113,507	24,160	.01	21				
Ornamental & Novelty Glassware[55]	150,010	6,790	.00	5	9.6	7.5	136,870	6,310	.00	5				
Other Housewares	nd	$ 2,880,530	1.20	nd	nd	4.2	nd	$ 2,764,420	1.20	nd	—	—	—	—
Magazines[56] & Newspapers[57]	$ 8,529,030	$ 1,248,800	.52	15	8.7	9.4	$ 7,849,890	$ 1,141,900	.50	15	995,400	.54	318,500	32.0
Children's Story Books	361,170	62,090	.03	17	5.3	5.2	342,990	59,020	.03	17				
Coloring Books	152,810	19,140	.01	13	5.6	5.7	144,710	18,110	.01	13				
Comics	78,420	22,800	.01	29	6.4	6.3	73,700	21,450	.01	29				
Magazines	1,965,560	968,810	.40	49	10.3	10.5	1,782,010	876,750	.38	49				
Newspapers	4,573,050	54,700	.02	1	9.5	9.7	4,176,300	49,860	.02	1				
Paperback Books	1,398,020	121,260	05	9	5.1	3.9	1,330,180	116,710	.05	9				
Auto Supplies[58]	$ 1,794,960	$ 400,240	.17	22	− .2	− .1	$ 1,798,425	$ 400,790	.17	22	326,200	.18	117,700	36.0
Antifreeze	401,200	97,630	.04	24	2.2	1.1	392,560	96,570	.04	25				
Automobile Polish	140,130	36,200	.02	26	1.3	1.6	138,330	35,630	.02	26				
Motor Oil	1,092,240	238,220	.10	22	− .7	− .5	1,099,940	239,420	.10	22				
Motor Oil Additives	161,390	28,180	.01	17	−3.7	−3.4	167,595	29,170	.01	17				
Pet Accessories	$ 1,503,530	$ 400,900	.17	27	3.7	2.6	$ 1,450,270	$ 390,950	.17	27	340,500	.19	148,150	43.5
Bird Food	36,150	19,370	.01	54	5.2	5.3	34,360	18,390	.01	54				
Other Pet Accessories	1,467,380	381,540	.16	26	3.6	2.4	1,415,910	372,560	.16	26				
Pet Grooming Aids	60,180	12,470	.01	21	4.7	4.9	57,480	11,890	.01	21				
Feeding Bowls	11,200	2,910	.00	26	3.2	4.4	10,860	2,790	.00	26				
Flea Collars	249,890	161,150	.07	64	.9	.6	247,660	160,190	.07	65				
Other Pet Accessories[59]	1,146,110	205,010	.09	18	4.2	3.7	1,099,910	197,700	.09	18				
Records & Tapes	$ 1,917,070	$ 169,630	.07	9	2.4	4.1	$ 1,872,140	$ 162,950	.07	9	127,200	.07	50,850	40.0
Photo Supplies & Processing	$ 5,140,600	$ 763,640	.32	15	6.1	8.9	$ 4,846,080	$ 701,560	.03	14	650,500	.36	147,690	22.7
Film[60]	1,985,260	503,840	.21	25	5.1	10.3	1,888,920	456,790	.20	24				
Processing	2,941,420	208,310	.09	7	8.5	11.6	2,710,980	186,660	.08	7				
Flash Bulbs & Cubes	213,930	51,490	.02	24	− 13.1	− 11.4	246,180	58,120	.03	24				
Playing Cards	$ 184,240	$ 25,420	.01	14	1.2	1.3	$ 182,050	$ 25,090	.01	14	15,120	.01	5,290	35.0
Shoe Laces[61]	$ 52,520	$ 29,010	.01	55	9.2	5.5	$ 48,090	$ 27,500	.01	57	12,000	.01	3,600	30.0
Stationery	$ 578,270	$ 118,590	.05	21	4.7	2.0	552,530	116,250	.05	21	100,250	.05	44,600	44.5
Packaged Paper, Envelopes	76,800	21,820	.01	28	2.8	2.2	74,710	21,350	.01	29				
Writing Tablets, Pads	242,610	64,870	.03	27	5.3	2.4	230,400	63,350	.03	27				
Notebooks	96,950	15,940	.01	16	5.5	.9	91,890	15,800	.01	17				
Looseleaf Fillers	161,910	15,960	.01	10	4.1	1.3	155,530	15,760	.01	10				
Sunglasses	$ 910,470	$ 65,580	.03	7	3.1	3.7	$ 883,090	$ 63,240	.03	7	50,500	.03	26,000	51.5

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[54] Flower and vegetable seeds. Packets only.

[55] Machine-made only.

[56] Newsstand sales of weekly and monthly periodicals, digest size books, children's books, children's coloring books, pocket-size books.

nd No data available

[57] Spending for newspapers in all outlets, includes newsstand sales plus home deliveries and mail subscriptions.

[58] For non-commercial vehicles only.

[59] Excludes pet foods (listed under grocery products) but includes leashes, cages, trays and other pet accessories not listed.

[60] Excludes movie film.

[61] Dress, work and athletic shoes and boots.

* Less than .005%

— Not Available

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Toys[62]	$ 8,833,360	$ 198,850	.08	2	4.7	6.2	$ 8,436,830	$ 187,240	.08	2	158,700	.09	61,100	38.5
Vacuum Bottles & Jugs	$ 303,800	$ 39,810	.02	13	1.0	1.1	$ 300,800	$ 39,360	.02	13	31,840	.02	11,140	35.0
Vacuum Bottles	201,050	22,860	.01	11	1.1	1.3	198,870	22,570	.01	11				
Insulated Jugs	102,740	16,950	.01	16	.8	.9	101,930	16,800	.01	16				
Women's Hosiery	$ 3,502,870	$ 663,740	.28	19	8.4	10.3	$ 3,231,590	$ 601,930	.26	19	530,000	.29	212,000	40.0
Panty Hose	3,346,290	655,110	.27	20	9.4	10.6	3,058,770	592,320	.26	19				
Stockings	156,580	8,640	.00	6	−9.4	−10.1	172,820	9,610	.00	6				
Men's Hosiery	$ 1,218,340	$ 45,740	.02	4	6.9	9.8	$ 1,139,700	$ 41,650	.02	4	34,300	.02	14,230	41.5
Men's & Boys' Underwear	$ nd	$ 89,090	.04	nd	nd	9.3	nd	$ 81,510	.04	—	66,100	.04	22,140	33.5
Writing Implements	$ 796,720	$ 90,830	.04	11	4.2	5.4	$ 764,760	$ 86,220	.04	11	65,420	.04	29,110	44.5
Ballpoint & Fountain Pens	348,800	45,350	.02	13	4.3	6.4	334,420	42,630	.02	13				
Ballpoint Refills	56,180	5,060	.00	9	6.6	4.2	52,700	4,860	.00	9				
Broad Tip Markers	67,360	5,140	.00	8	4.1	2.9	64,710	4,990	.00	8				
Fine Line Porous Pens	220,990	26,950	.01	12	2.2	3.1	216,240	26,140	.01	12				
Mechanical Pencils	34,580	5 150	.00	15	13.5	13.7	30,470	4,530	.00	15				
Woodcased Pencils	68,810	3,180	.00	5	3.9	3.5	66,230	3,080	.00	5				
General Merchandise n.c.e.[63]	$ nd	$ 3,096,130	—	nd	—	—	nd	$ 3,887,600	—	—	—	—	—	—
Total Other General Merchandise[64]	$ nd	$ 11,545,300	4.79	nd	—	2.3	nd	$ 11,812,120	5.12	—	2,265,700	1.24	793,000	35.0
Total General Merchandise[65]	$ nd	$ 22,549,380	9.36	nd	—	1.2	nd	$ 22,282,770	9.25	—	9,139,000	5.00	3,447,750	37.7
GRAND TOTAL	$ nd	$241,020,000	100.00	nd	—	4.5	nd	$230,641,000	100.00	—	182,783,560	100.00	46,293,660	25.5

62 Excludes sporting goods and apparatus.
63 Not classified elsewhere.
64 Excludes HBA and Prescriptions.
65 Includes prescriptions and other health and beauty aids.
* Less than .005%
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SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

PET NEEDS

Pet departments were filled with litter—cat box litter was a booming business. But overall sales went to the dogs; it was a stable, but unexciting year.

Either the dogs and cats of America are eating three tenths of one percent more, according to the latest consumer expenditures study figures, or there are three tenths of a percent more of them. Either way, dog and cat food sales have increased in the last year by that amount although the real news may not be in pet food at all. According to buyers for some of the nation's supermarket chains, cat box filler is where the action is.

Cat box filler which, according to manufacturers, is a low-cost, high-profit item for retailers if they can keep from running out of stock, has grown to a $200-million plus industry. Growth rate in tonnage has exceeded 10 percent annually, with sales more than double that.

Up until now, the industry leader has been Lowe's Inc., headquartered in South Bend, Indiana. According to Jeff Caton, brand manager for Kitty Litter, one of Lowe's cat box filler items, sales this year have been running eight percent over 1983, and the company enjoys a 35.4 percent market share in terms of dollars.

Lowe's manufactures two brands of cat box filler—Kitty Litter and Tidy Cat 3, both of which are scented, odor-controlling substances. Tidy Cat 3 has also recently been issued in an unscented variety. Both Lowe's products work on a moisture-activating principle and until recently were the standard by which the rest of the industry operated. If national distribution of a new brand proves as successful as test marketing, however, Kitty Litter and Tidy Cat 3 may be in for trouble.

Fresh Step, distributed by Clorox Corp. (Oakland, California), is a new cat box filler that was introduced nationally in April, after test marketing mostly in Western states. According to Fred Reicker, manager, corporate communications for Clorox, the item is doing well but the company is still waiting to see what happens.

What makes Fresh Step different is a new, patented process in which "micro-encapsulated fragrance is bound to light-density clay chips," according to Reicker. The fragrance is activated when stepped upon, rather than only after it becomes moist.

The response from supers where Fresh Step was test marketed, is favorable. Dennis Ferguson, buyer for Raley's (Sacramento, Calif.), says, "This advanced cat box filler is new and selling very well." Due to space limitations, Raley's can only afford to keep on the shelves those pet products that are selling, and so far Fresh Step meets that requirement. Ferguson also believes consumers will usually try something new, so whether Lowe's is in for stiff national competition is still undecided.

The growth of the cat box filler industry may have some-

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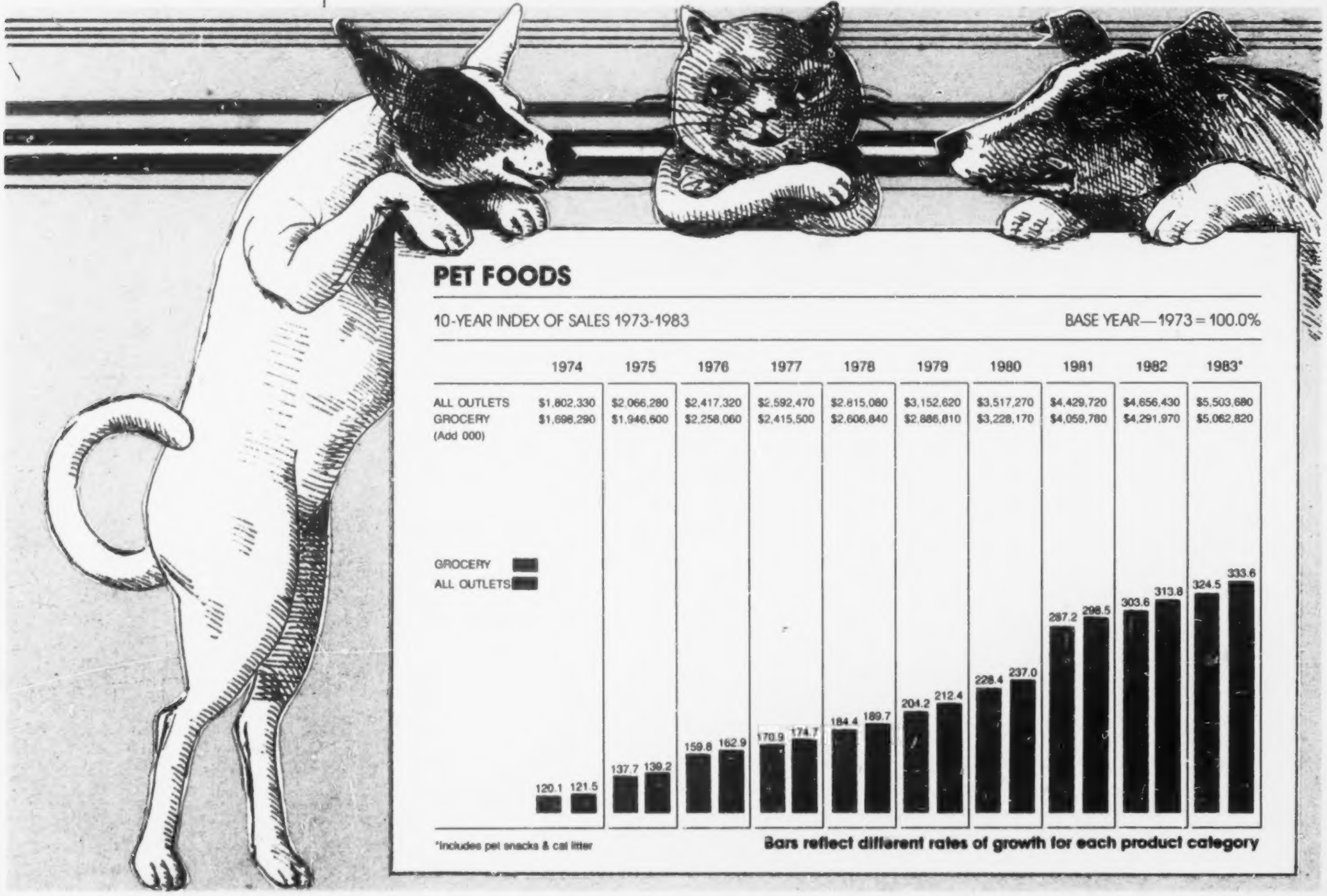

PET FOODS

10-YEAR INDEX OF SALES 1973-1983 BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983*
ALL OUTLETS	$1,802,330	$2,066,280	$2,417,320	$2,592,470	$2,815,080	$3,152,620	$3,517,270	$4,429,720	$4,656,430	$5,503,680
GROCERY (Add 000)	$1,698,290	$1,946,600	$2,258,060	$2,415,500	$2,606,840	$2,886,810	$3,228,170	$4,059,780	$4,291,970	$5,062,820

*Includes pet snacks & cat litter

Bars reflect different rates of growth for each product category

DRAWING BY ROBERT STRIMBAN

Here's what they want! A recent study printed in **THE WALL STREET JOURNAL** indicated a large interest by pet owners for *new products that prevent litter odor.*

The report, compiled by Doyle, Dane and Bernbach, Inc., stated:

"Apparently there is no product on the market that is satisfactory to cat owners . . . *SEVEN IN TEN* were very interested in litter that really absorbs all odor".

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thing to do with changing American lifestyles, according to Caton of Lowe's. Sales of cat box filler reflect a growing interest in cats as pets, and corresponding increases in cat food sales would tend to confirm that trend. There are about 55 million pet cats in the United States and that number is growing because, as Caton puts it, "cat ownership reflects a changing lifestyle for the country. Cats require less care than dogs, they can be left alone more easily. This fits in with the increasing numbers of people who want a pet but whose schedules and lifestyles make owning a dog undesirable."

Cats cannot live on cat box filler alone, but supermarket buyers generally are not happy with sales of cat, and dog, foods.

Total pet food consumption in pounds has risen from eight billion pounds-plus to nine and a half billion since 1977, according to the Pet Food Institute in Washington, D. C. In terms of sales, pet foods at grocery stores rose from $2.45 billion in 1977 to $5.6 billion in 1983, according to latest CES figures. Recently, both dry and moist categories of cat food have shown slight increases in the number of pounds purchased. Dry cat food increased from 821 million pounds to 913 million between 1982 and 1983. Moist cat food, during the same period, went from 1.09 billion to 1.13 billion pounds.

Dry dog food also showed a slight increase in pounds purchased during this period, going from 4.7 billion pounds to 4.9 billion. Surprisingly, after a very strong showing in recent years, moist dog food showed a drop during this period of almost 100 million pounds, from 1.9 billion to 1.86 billion.

"Dry dog food is holding its own, but moist has fallen off," says Ferguson, of Raley's. John Comer, grocery buyer for Hy-Vee Food Stores (Chariton, Iowa), which has 122 locations in the Midwest, reported little activity in pet foods. "They're stagnant. Even the new ones are not doing much."

Perhaps the pets of the South are doing better. At least, Bruce Anderson, senior grocery buyer/merchandiser for Harris-Teeter Super Markets, Inc., a chain based in Charlotte, N. C. with 72 stores throughout North Carolina, South Carolina and Tennessee, says things look good for the animals. "One of my drivers said dogs and cats gotta be eating better than the young'uns on account of all the pet food deliveries," he said.

Harris-Teeter, tries to sell at barely above cost, and the competition between manufacturers is fierce, according to Anderson. In his stores the consumer response to brand promotions tends to be excellent for a short term—and then another promotion comes along. While moist cat food is doing well, Anderson notes that moist dog food is on a decline. "Mostly because of price," he adds.

Farther west, the trend away from moist food shows itself in smaller stores as well. Jack Lenz, national warehouse products manager for The Circle K Corporation, a chain of 1,217 convenience stores in Arizona, New Mexico, California, Colorado, Idaho, Montana, Oregon and Oklahoma, says shoppers are buying less moist foods but there has been an overall increase in sales. Although there have been no significant new entries into the market recently, Circle K has increased its shelf space to accommodate larger packages. "There's definitely a trend towards buying larger bags of dry dog food," Lenz says.

Like supermarket chains, Lenz sees the heavy promotional efforts on the part of manufacturers as having short-term success only. "As a company we don't advertise, but the brands do, and they are very successful as long as the product is fairly new and the promotion is heavy. When the promotion stops, so do sales," he says.

Despite slow sales, pet food manufacturers have not been idle. As noted by chain buyers, promotion has been heavy and has taken the form of television and print advertising, instore promotions and contests. Purina, for example,

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CEREALS

New products continued to keep cereals snapping and crackling. One trend: more fruit.

Fruit, sugar and a readily recognizable "spokes-character"—though not necessarily all in the same product—again provided the cereal category with the keys to success in 1983 and this year. The category, as in previous years, popped with new products, making it what one Missouri retailer termed "one of the most flamboyant categories, perhaps matched only by pet products and cookies" in the sheer number of new products available.

Although a significant number of these new products were geared either toward the entire family or specifically toward adults, the overwhelming majority of them were in the children's pre-sweetened sub-category, which today almost inevitably means a tie-in with a licensed character.

According to a spokesperson for General Mills, children are the heaviest users of cereals, consuming almost twice as much as the next largest cereal-eating group, those 55 years and older. And consumption by the 0–13 year age group is expected to increase. By 1990, the number of children in this age range will have grown by more than 10 percent, to 53 million, according to a recent study on the ready-to-eat cereal market, undertaken by Packaged Facts, Inc. (New York).

In response to this ready market, the major cereal manufacturers have concentrated predominantly on the so-called pre-sweets. During the past year new products have included: Smurf-Berry Crunch, Pac Man, Cap'n Crunch Choco Crunch, Donkey Kong and Donkey Kong Jr., E.T., Gremlins and Kellogg's Strawberry Crispies and C-3PO's. All of these "take advantage of popular images," as General Foods' Ken Defren puts it, and most of these images are film, cartoon or video-game heroes.

Despite the overall good reception that these products receive, there is, naturally, some question as to how long they will last. Hannaford Brothers' (Scarborough, Maine) cereals buyer Kathy Garfield echoes the observations of many retailers: "They usually do well for the first six to seven months, then level off—some enough so to warrant being discontinued." Across the country, in Colton, Calif., Stater Brothers' cereals buyer Tom Reingrover finds the same situation: after a heady introductory period, sales "taper off as the craze dies down."

For the manufacturers, the lifespan of these licensed-character cereals is determined not only by the obvious popularity of the figurehead character, but also by the quality of the product, which seems to be of only secondary importance to many first-time consumers. Ralston Purina's Sandy Harrington believes that "people will try things if they're new and they know the character. They'll stick with them if they're good."

Nonetheless, selecting a

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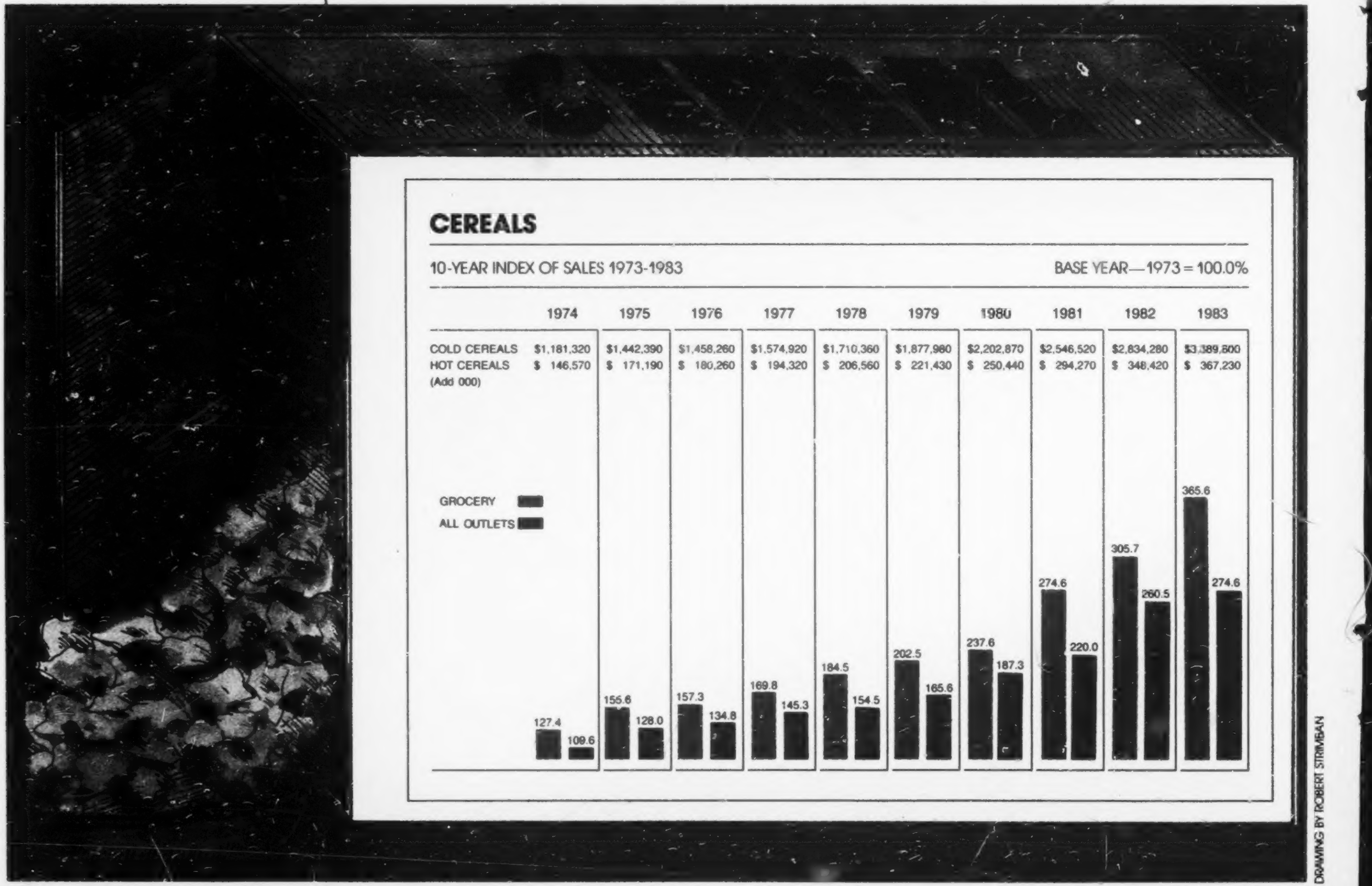

CEREALS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
COLD CEREALS	$1,181,320	$1,442,390	$1,458,260	$1,574,920	$1,710,360	$1,877,980	$2,202,870	$2,546,520	$2,834,280	$3,389,800
HOT CEREALS (Add 000)	$ 146,570	$ 171,190	$ 180,260	$ 194,320	$ 206,560	$ 221,430	$ 250,440	$ 294,270	$ 348,420	$ 367,230

DRAWING BY ROBERT STRIMBAN

CEREALS/CONTINUED

Sales of "healthier" cereals pick up with the arrival of summer.

Continued from page 86

licensed character with the longest staying power remains a prime consideration. The Kellogg Co., more cautious than some others in this respect, introduced its first such cereal, C-3PO's, only last January. Based on the famous *Star Wars* robot, the cereal has at least a ripe middle-age guaranteed by the continuing popularity of the Star Wars series, which will doubtless include the new episodes scheduled for future film release. Quaker Oats, another Johnny-come-lately in the licensed character arena, will introduce its Mr. T cereal this month— its first such product. Says Quaker's communications specialist Marcia Watts, you have to "make sure that you have a strong character, and one that will *last*."

Of course, a danger anytime an excess of similar products is introduced, is that the category will become overloaded. Recent new products in strawberry-flavored children's cereals resulted in just that. At Red Owl (Hopkins, Minn.), the addition of Strawberry Honeycombs, Strawberry Crispies and the enlarged size and new ad campaign of General Mills' Frankenberry resulted in a strawberry-flavored explosion—which, in turn, resulted in the slowest mover, Strawberry Shortcake, being dropped from the shelves. Says Stater Brothers' Reingrover: "We can't add an item unless we drop an item."

The current success of the pre-sweets aside, however, an area of future concern and accompanying growth will very likely lie with reduced-sugar children's cereals, and some manufacturers have already taken the first steps in that direction. Quaker Oats' Halfsies, which has been in distribution for almost two years, was recently joined by General Foods' Post Alpha Bits (100 percent aspartame-sweetened) and General Mills' Trix (with 50 percent aspartame). While the verdict on both products is still not in—both are available only in test markets with no immediate plans for national distribution—if consumer acceptance is high, the near future may see another peak in what General Foods' Defren terms the "roller coaster-like" career of the sugar issue.

It is still too soon to tell exactly how high this peak will be. Although Halfsies has not been dropped from retailers' shelves, it is far from being one of the cereal aisle's fastest movers. "We're hanging onto it mainly because it's unique," says Hannaford's Garfield. And Red Owl cereals buyer Dianne Gadd reports that 100 percent NutraSweet Post Alpha Bits has made "no big impact" in her stores.

Quaker Oats is the first to admit that Halfsies has not met original expectations. The company stresses, however, that this is due not to the use of NutraSweet, but rather to the cereal's advertising campaign. Although the cereal "has found its marketing niche," Quaker has nonetheless pulled its advertising "at least temporarily," according to Watts.

The sugar-in-cereals issue remains a touchy subject. Many retailers, who have not seen spectacular movement of the NutraSweet cereal products, believe it may be the wave of the future, but this future is not now. "Changing the sugar to NutraSweet is neither a plus nor a minus, it's simply an alternative," says Red Owl's Gadd. Hannaford's Garfield believes that there are two types of children's cereal buyers: those concerned about sugar and those who aren't, and that there is "not much cross-over" between the two groups.

At Stater Brothers, steps have already been taken to reduce the visibility of sugar, if not its actual presence. Following the lead of Kellogg, which has taken the word "sugar" out of the names of cereals such as Sugar Smacks (changed to Honey Smacks) and Sugar Frosted Flakes (now simply Frosted Flakes), the company has done the same on its private label cereals. Reasons for this middle-of-the-road approach to the sugar issue is summed up by Stater's Reingrover, who believes that although it's "too soon to tell on the question of NutraSweet [in particular], sugar in children's cereals will be an important issue."

While by no means as prolific as children's pre-sweetened cereals, adult cereals are also making advances and adding new products. The year's star ingredients were fruit and—albeit to a lesser extent—fiber. Quaker's third interim *Quaker Quarterly* notes that: "Over the past four years, the market share of fruit cereals has increased 45 percent . . . [while] growth in other ready-to-eat cereal segments has been limited to two percent."

In keeping with this growth, Quaker added Raisin Life to its line of Life cereals. Other new products featuring fruit include: Ralston Purina's Crispy Oatmeal & Raisin Chex, Nabisco's Toasted Wheat and Raisins (in May, 1983) and Kellogg's Fruitful Bran (which includes apples and dates in addition to raisins). The popularity of fruit with cereals is also promoted through special campaigns that feature these breakfast ingredients, such as Ralston Purina and the International Banana Association's joint promotion this summer.

Retailers find that sales of adult and "health-oriented" cereals—as well as those of category "standards"—are steady, though not spectacular, with "no real increases, no drastic decreases," according to Tom Reingrover (Stater Bros.).

Red Owl's Gadd notes that sales of "good-for-you" cereals pick up at the beginning of the summer season, when many people start dieting, jogging and generally concentrating on getting into shape. Raisin Bran, Raisin Life, NutriGrain and Special K (which recently underwent a nutritional, taste and packaging upgrading) enjoy especially good sales in this area.

A step beyond the more mainstream adult/healthy cereals are the all-natural, often granola-based, cereals, such as the 24 varieties manufactured by Health Valley Natural Foods. While these are holding their own, "they're certainly not setting anything on fire," reports Hannaford's Garfield. She believes this is primarily due to the relatively small portion of the population to which they appeal. On the west coast, however, where the trend toward healthier living is generally stronger, Stater Bros.' Tom Reingrover believes they would perform better if they received adequate advertising support. He cites the case of granola bars, "which have the same type of people buying

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BABY NEEDS

Baby products are born again—growth was spurred on among the giants by diversification and new, upscale products.

As the baby "boomlet" of the 1980s continues to grow, baby needs manufacturers are expanding and improving products that have already proven popular.

New births are at 3.6 million a year and that's expected to be up to 3.8 or 3.9 million by 1990. With career-oriented mothers and two-income families delaying parenthood, 40 percent of those births are first babies. Parents and grandparents spend 10 times as much on their firstborn than they do on his or her siblings.

Gerber Products Company, which commands 70 percent of the baby food market with 168 products, is an example of a company expanding profitable lines.

"At that level, growth (in baby foods) is difficult and slow," says a spokesperson for the company. "We are in some 35,000 major supermarkets across the country and in the majority of those we are an exclusive brand."

Since introducing the highly successful chunky foods for toddlers two years ago, Gerber has done nothing spectacularly new in baby food. Under an active acquisition program Gerber has followed for the past 10 or 12 years, it is expanding into apparel and furniture. Gerber now owns Weather Tamer Inc., Buster Brown Playwear, and Bates Nite Ware (which generally manufactures for other companies under other labels). It now owns Century, maker of car seats and furniture; Bilt-Rite Company, which manufactures strollers and prams; and Oklahoma-Smith, producer of the Nod-A-Way brand of furniture. There is a definite market for these items.

Today's parents "do tend to be somewhat more affluent and able to buy more things," says the Gerber spokesperson.

Not only do families buy more for their children but they spend more on each purchase.

Gerber's baby foods—which made up 53 percent of Gerber's total sales of $805 million last year—are simply becoming a smaller part of a growing pie, according to the company.

"We are encouraging major retailers—supermarkets as well as drug stores—to create baby departments," another Gerber spokesperson says, "not only for food, but also for the accessory items. It's a trend in supermarket business to put collateral products together. It's nice to have vinyl pants right down the row from baby food."

A buyer for a midwest food chain sees no new trends in baby foods since Gerber's introduction of its chunky line two years ago.

"Parents are buying on the deal," he says. "It's like anything on sale—like canned goods or frozen peas."

Appealing to such price-conscious shoppers, Heinz USA has expanded its Saver Size juice line to include another variety. The 29.4-ounce Saver Size holds seven 4.2-ounce bottles of juice but the

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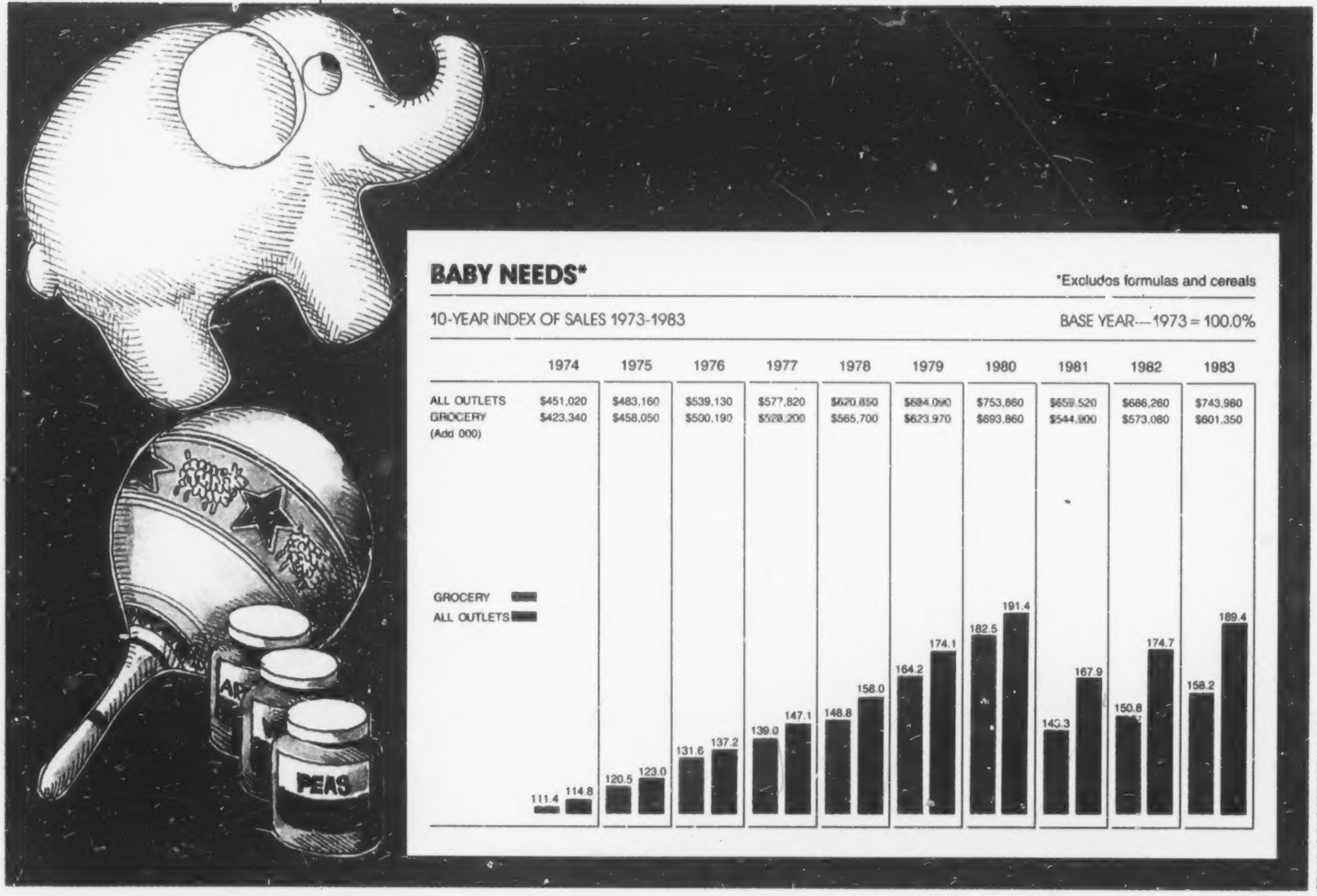

BABY NEEDS*

*Excludos formulas and cereals

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$451,020	$483,160	$539,130	$577,820	$620,850	$684,090	$753,860	$659,520	$686,260	$743,980
GROCERY	$423,340	$458,050	$500,190	$528,200	$565,700	$623,970	$693,860	$544,900	$573,080	$601,350
(Add 000)										

DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

FROZEN FOODS

Sales were good, and growing for frozen foods, but still touched the tip of the iceberg: manufacturers are spurring sales with new items.

Frozen food suppliers aren't taking any chances: Despite continuing sales growth, boosted regularly it seems by new products and types of products, they are involved in more massive promotional programs and activities than ever before. Their research projects, too, are imaginatively probing every angle and exploiting every opportunity to ensure that this sector continues to thrive.

This, the year of the first National Frozen Food Month promotion, has seen an avalanche of studies, reports and product launches or relaunches. They are all designed, in the words of Pillsbury's Kenneth A. Pond, "to bring back enthusiasm and excitement to this very profitable department." What that company's vice president, frozen food sales, calls "the positive trend in frozens in recent years" also is reflected in supers' attitudes to the amount of space given over to frozens, and the kind and quantity of frozen food advertising they do. At Stop & Shop (Boston), for example, Frozen Food Buyer/Merchadiser Eddie Dawe says that advertising over the last two to three years "has been progressively devoting more space to frozen food." And, while his company's newest stores are being outfitted with increasing amounts of freezer space, he's "always looking for more," he says.

A spokesperson for Kroger (Cincinnati, Ohio) used almost the exact same language to describe that company's treatment of frozens. "We *have* been featuring them more in ads, and our newer stores *are* getting proportionately more freezer space," she said.

The National Frozen Food Association (NFFA) this past Spring saw an abundance of examples of how extensively chains and independents are willing and able to promote frozen foods. When entries came in for Golden Penguin Awards, to be presented by the Association to companies responsible for outstanding promotional activities during Frozen Food Month (this past March), "we were overwhelmed, both by the quality and the quantity of submissions," says NFFA President Nevin Montgomery. "Picking the winners was no easy job." (Stop & Shop, by the way, was among five chains and co-ops tied for top honors. The others were Chatham Supermarkets (Warren, Mich.), Marsh Supermarkets (Yorktown, Ind.), Publix (Lakeland, Fla.) and Tops Friendly Markets (Buffalo, N.Y.). Among chains with five or fewer stores, Triple A Supermarkets (Weston, Mass.) was judged "best.")

Many of the entries (one of which came in the form of a leather-bound book) stressed instore merchandising. Photos of various companies' creations made it quite clear that, as well as having high levels of enthusiasm, they believe that promotional expenditures pay off.

This was proven here when

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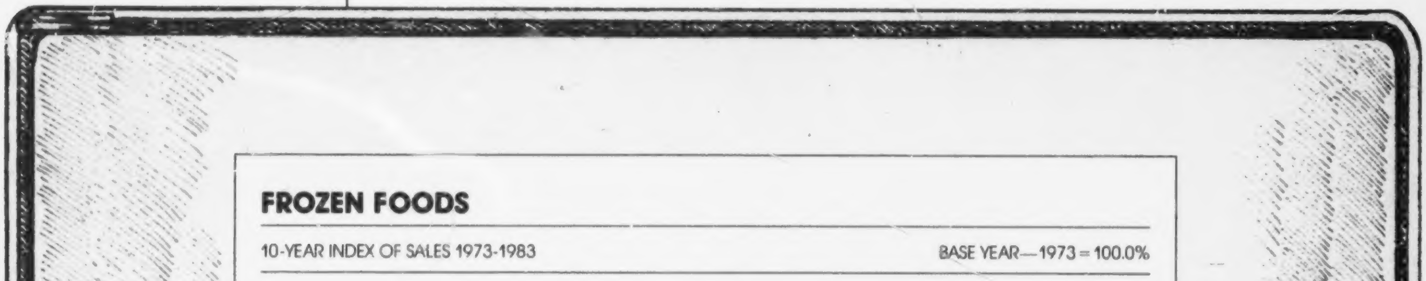

FROZEN FOODS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$8,309,420	$9,067,780	$9,414,610	$10,040,160	$10,683,820	$11,597,850	$12,805,290	$13,827,610	$15,112,290	$15,996,670
GROCERY (Add 000)	$5,955,620	$6,474,170	$6,792,470	$ 7,282,610	$ 7,762,250	$ 8,400,100	$ 9,276,110	$10,129,410	$10,876,560	$11,499,560

DRAWING BY ROBERT STRIMBAN

Many retailers stressed instore merchandising in their National Frozen Foods Month promotions.

Continued from page 92

the month's sales figures were recorded at NFFA headquarters. First reported to the trade at the FMI convention in May, those results show that, according to SAMI and NABSCAN figures, frozen food tonnage movement jumped up 6.7 percent higher in March 1984, than had been recorded the previous year in that month. And, where newspaper advertising of frozens was increased by at least 10 percent during the month, retail sales followed: In the Minneapolis/St. Paul market, they rose 8.7 percent. New Orleans saw a gain of 9.1 percent, and San Antonio's advance doubled that figure, climbing 18.2 percent.

Following hard on the success of that month's effort, the NFFA already has distributed a 34-page booklet outlining the plan for next March's National Frozen Food Month promotion. (The "plan," in fact, comprises only half of that booklet; the balance recaps coverage of this year's event.)

Within a month of the July mailing of that publication, NFFA started fulfilling orders for its detailed Supermarket Frozen Food Research Study. Conducted late last year on the Association's behalf by Van D. Spurgeon and his Spurgeon Management Services' staff and Dr. Karl Kepner of the University of Florida, Gainesville, that study follows the format of one Spurgeon and Kepner undertook for NFFA in 1978. (The latest one, priced at $20 each for nine or fewer copies, and $15 each for larger quantities, is available from NFFA headquarters, P.O. Box 398, Hershey, Pa. 17033.)

Comparing those two studies is, as one might imagine, an interesting—and eye-opening—experience. They show, in an assortment of ways, just how significant frozen products have come to be in supers.

One set of figures makes the point: Figure III-3 from the 1978 study, entitled Frozen Food Department Gross Profit Margin (GPM), shows 23 percent of (chain and independent) stores surveyed having GPMs of 23 percent or less. By last year, according to the latest study's Table III-4 (with the same title), only 10 percent of stores reported 23 percent or less GPM on frozens. Stores showing GPMs in the 23-26 percent range had fallen from 32 to 15 percent of those surveyed, and there was a two percent decline (from 27 to 25 percent) of stores with GPMs in the 26-29 percent range.

Then came the big change: In 1978, 18 percent of reporting stores claimed GPMs of 29 percent or more; last year, 50 percent did.

Equally interesting is a study of an advertising impact test conducted earlier this year in Charlotte, N.C., and Syracuse, N.Y. on behalf of the National Frozen Vegetable Council—a year-old organization descended (and expanded) from the California Frozen Vegetable Council.

This effort was intended to determine "whether frozen vegetable sales can be influenced by advertising," says a results report published by the Council in conjunction with Evans/San Francisco, the advertising and public relations concern that oversaw the study.

Stretching from early January through March, it measured certain consumer perceptions of variable fresh and frozen vegetable factors before and after the run of a frozens-biased ad campaign. In both cities, married, female consumers between the ages of 25 and 54 responded favorably to the advertised advantages of frozen (vs. fresh) products—but to differing degrees. In Charlotte, where income and education levels are below those in comparable consumer groups in Syracuse, fewer ads were judged to be "believable or very believable" than was the case in the latter city.

In Charlotte, the results report says, during the post-advertising test, only four of seven (pro-frozens) statements were significantly more believable to respondants compared to the pre-test period. In Syracuse, by way of comparison, "significantly more" consumers found "all" advertising statements to be believable at the test's end than had been the case in the pre-test period.

More importantly, in both cities, the advertising appears to have improved frozen vegetables' image in the eyes of consumers—but, again, in different ways. Six of seven "characteristics" looked better to Syracuse consumers, who weren't more impressed by the variety of frozen vegetables available to them. Charlotte consumers, meanwhile, ranked *only* variety and the nutrition of frozens higher in the second sampling.

The National Frozen Vegetable Council next year will do further studies in other key markets, an Evans/San Francisco spokesperson says.

Frozen product manufacturers, too, are spending big bucks on research as they seek, in ever new ways, to earn just a little more space in stores' freezer cabinets. Ore-Ida, for example, which just put into test market a four-product line of low-calorie potato products (called Ore-Ida Lites), terms its new product program as "very aggressive." Another H.J. Heinz affiliate, Foodways National, uses the same term to describe its marketing program. Based, as is Ore-Ida, in Boise, that company's Weight Watcher foods now are being promoted to consumer groups beyond those interested only in dieting or weight maintenance, a spokesperson says, noting that one approach being considered is heavy involvement in sports promotions.

Campbell's, meanwhile, rather than entering that fray, has found another kind of challenge for itself: "We've repositioned a small breakfast line that was under the Swanson name and re-named it Great Starts," marketing vice president Herb Baum says. "We've expanded the line to include much the same kinds of foods offered by fast food outlets—pancakes with blueberries and sausage, and so forth—then we took it the next step, and we're now test marketing breakfast sandwiches."

That's a significant move, believes Martin Friedman, editor of Dancer Fitzgerald Sample's *New Product News*. "What is big in fast food is being picked up by the supermarkets, (but) that's the first time I've seen a direct attack by packaged-food marketers on fast food," he said recently in *Ad Week*. "It's the first response, and I think it is a little tardy," he added.

Of course, supers are, increasingly, competing with restaurants of all kinds for consumers' food dollars. This just marks a drawing-tight of the battle lines. ■

—DOUG HARRIS

Baby foods sales are up because there are more working mothers, one report says.

Continued from page 91

pricing is based on six jars.

Despite reports that Heinz was planning to test a line of dried instant baby food, there are no immediate plans to do so, according to Heinz.

A spokesperson finds that baby food sales are up because there are more working mothers. More and more of those mothers are finding that commercial baby foods can be a healthful alternative to home made foods.

The company's major promotion continues to be its label saving program, begun in 1979. For each label from Heinz baby foods, juices or cereals, participating hospitals receive three cents from the Heinz company and another three cents from the H. J. Heinz Foundation. There have been ads for the program on the American Baby Cable network.

"We anticipate the possibility of giving up to half a million dollars this year," says the spokesperson. There are 50 participating hospitals across the country.

"From what consumers and the hospitals tell us, there's a great deal of support for the program and a lot more distribution of Heinz foods because of the program," the spokesperson adds.

In other areas, new twists in disposable diapers and nursing kits have been popular. Kimberly-Clark's Huggies elastic leg diapers have refastenable tape. Introduced last October, the refastenable tapes give parents a second chance to reposition an ill-fitting diaper and allow them to unfasten the tape to check for wetness and then refasten it again.

Consumers find the new twist-on top for the Playtex Baby Nurser introduced this spring especially convenient. During the transition period, Playtex included free adapter parts to convert the original pull-on system to the new system. In the new system, the nipple is simply slipped into a retainer ring, which is screwed into the holder containing the disposable bottle.

Print, network and cable television advertising combined with a $2 refund offer brought a good consumer response to the change, says the company's marketing department.

There's no significant change in Ross Laboratories Similac Infant Formula, according to Charlie Himes, director of marketing.

"Infant formula is used to supplement breast feeding," says Himes, citing the example of working mothers who breast feed their children before going to work and then leave a bottle with the babysitter. "Or, it's used in lieu of unmodified cow's milk."

Similac is not advertised, according to Himes.

"The industry does not do any consumer promotion," he says. "The information on infant formula comes through the hospital and through the physician."

Other manufacturers of baby products use doctors and hospitals to promote their goods. Gerber has a medical marketing staff which provides educational material for pediatricians to give new parents. Not only did Playtex distribute its $2 refund offer for its new nursers through inserts in baby magazines such as "American Baby," "Expecting," and "First Year of Life," it also included it in a workbook used by many prenatal classes.

New and expecting parents are so hungry for information on child rearing that four out of five of them attend child care education classes, according to research done by the Evenflo Company. The company is introducing Evenflo Baby Care Books, a series of six, slim paperback books, into test markets in Cleveland, Los Angeles, Dallas and Houston this fall. The books, covering prenatal care and nutrition, breast feeding, working and caring for the baby, will be sold in the baby departments of supermarkets, drug stores and mass merchandise stores.

Evenflo, which produces standard and disposable bottles, breast feeding equipment such as breast pumps, and playthings, is providing retailers with three different types of display racks designed to cross merchandise Evenflo products.

Three of six new toys introduced by Fisher Price have been very successful, reports Tom Fairhurst, marketing manager for crib and playpen toys.

A Playquilt with four soft play surfaces for young babies includes a squeaker mirror, a textured, plush surface and a teething ring. It folds to fit into a diaper bag. A nursery monitor acts as a one-way intercom system, allowing the mother to be anywhere in the house yet still be able to hear her child.

Discovery cottage, an activity center with 12 play features, including a ringing bell, slide and play figures can be folded together and carried with a handle.

The toys are designed to heighten the quality of time working parents spend with their children. Fisher Price does less advertising on daytime television and advertises in women's service magazines with broader audiences, such as *Family Circle, Good Housekeeping* and *Parents*. That also includes the large gift-giving market for infant goods.

One promotion, "Music to Your Ears," gives a cash rebate when you purchase a Fisher Price toy.

The toys, which retail from $1.50 to $19.95, have actually gone down in price in 1983, thanks to the lack of inflation.

Fairhurst sees future growth in the toy market in basic toys such as mobiles and blocks, stacking, nesting and activity centers. Such toys work well with infants' developing vision and motor skills.

With the large numbers of first births to more affluent couples, the market for basic baby goods seems to be growing as the "boomlet" continues through this decade. ■

—KATE RICE

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

BAKED GOODS

Consumers were bringing home the baking by the score—both with instore products and new, "home-made" rivals from manufacturers.

While bread may be the acknowledged staff of life, for many people it's cookies and sweet goods that make that life worth living.

In about half of U.S. supermarkets, the traditional aisle of commercial baked goods has been supplemented by an instore bakery whose fresh-baked yeasty aromas provide formidable competition in drawing shopper attention.

Since few customers are committed to either instore bakeries or commercial products to the exclusion of the other, peaceful coexistence is the rule. While instores are often given the advantage of the lead position in store traffic—an honor once accorded to produce—commercial baked sections still get plenty of space and attention.

The Gromer's supermarket in Elgin, Ill., for example, leads off its traffic flow down the right side of the store with merchandise from its well-staffed scratch operation. In the same aisle, to the customer's left, are the racks of commercial baked goods. What the customer sees is an extensive stock of baked goods offering a wide range of choices.

The fashion factor

Mom's apple pie was immune to the tides of fad or fashion. Today's bakers aren't that lucky. The Year of the Doughnut can quickly be succeeded by The Year of the Croissant. The advent of soft-chewy cookies can energize a laggard sector. And preferences in bread can move from soft white towards crusty, dark, heavy-textured varieties.

While commercial bakers tracked, and reacted to, changing consumer tastes last year, they were able to operate free from the anxieties of volatile ingredients prices of a few years ago. The cost of wheat flour rose 3.6 percent, but that of flour-based mixes and doughs declined 0.4 percent. The 4.1 percent jump in the cost of refined sugar was balanced by a 10.4 percent drop in corn syrup prices. Bulk vegetable shortening registered a 3.4 percent price decrease.

Even packaging inputs behaved themselves for the most part, as paperboard prices and laminated paper prices fell 1.3 percent and 2.8 percent, respectively. Cellophane prices, however, edged up 3.1 percent.

Wounded by the volatility of the price of refined sugar back in the mid-Seventies, many baking companies substitutied lower priced high fructose corn syrup (HFCS) for sugar, especially for sweetening bread and rolls.

Shelf prices behave

The stability in prices of ingredients could not have been more fortuitously timed. This enabled bakers to keep a lid on shelf prices, a help in their competition against instores.

Prices of highly visible

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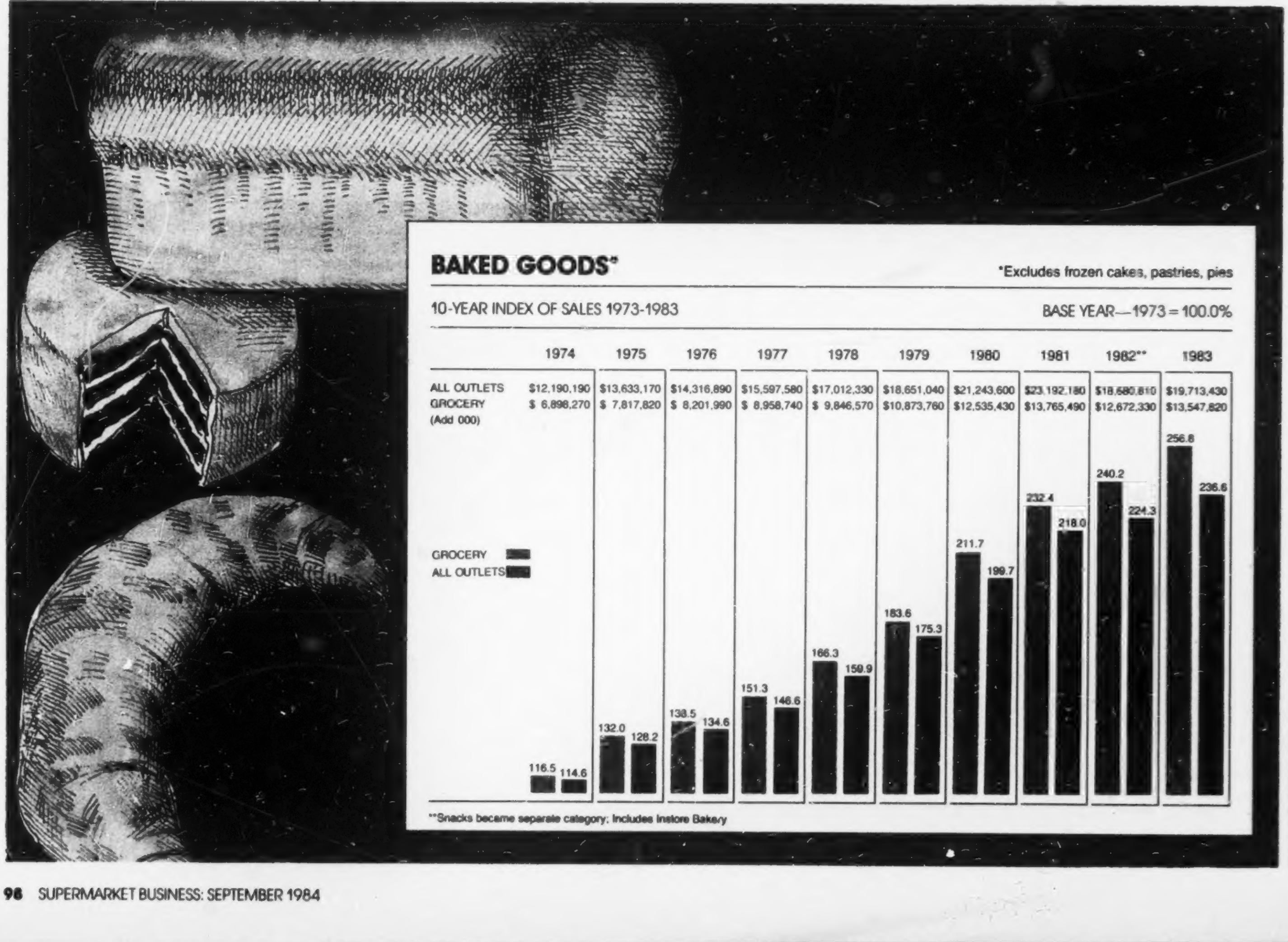

BAKED GOODS*

*Excludes frozen cakes, pastries, pies

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982**	1983
ALL OUTLETS	$12,190,190	$13,633,170	$14,316,890	$15,597,580	$17,012,330	$18,651,040	$21,243,600	$23,192,180	$18,680,810	$19,713,430
GROCERY	$ 6,898,270	$ 7,817,820	$ 8,201,990	$ 8,958,740	$ 9,846,570	$10,873,760	$12,535,430	$13,765,490	$12,672,330	$13,547,820
(Add 000)										

**Snacks became separate category; Includes Instore Bakery

DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

GREETING CARDS

The message was "congratulations" for greeting cards last year, as sales continued to be good. "Best wishes" are still in order, since there's a lot of room for growth.

For the most part, the supermarkets and the manufacturers that supply them have reason to send each other warm messages of congratulations on the performance of greeting cards last year. Still, there are those both on the retail and supply sides who might, if they were going to send a greeting to the other side, choose one of the modern "nasties" instead of a friendlier sentiment.

Small retailers, in particular, feel they have something to grumble about—namely that, as one expressed it, "we're not seen to be worth the while of the big card makers." Countering that—and the complaint of even some large chains that they don't provide enough service—the manufacturers say, simply, "it's a matter of economics."

Manufacturers, meanwhile, question (and grumble about) what they term the economic senselessness of retailers who discount cards—sell them at lower-than-marked prices. Two of the "big three" card companies supplying supers—American Greetings and Hallmark's Ambassador Cards—are openly, and vocally, opposed to discounting. The third-largest supplier, Gibson Greeting Cards' Buzza division, says it neither encourages nor discourages discounting. (Another Gibson division, Success Greeting Cards, also supplies supermarkets, one of which characterized that company as "actively seeking business from small guys"—the independents and small chains that, while interested in selling cards, can't allocate a lot of space for them.)

One of the main factors attracting small and large supers to greeting cards is their profit potential. Both American Greetings and Ambassador tell potential customers that if—as they should—greeting cards account for something near .5 percent of a store's total sales, they can produce between seven and nine percent of its net pre-tax profit. They can, that is, if the retailer sells those cards at the prices recommended (and printed on the products' backs) by their makers. Under-cutting those prices, spokespersons for the two largest manufacturers say, is both unnecessary and unwise.

"Discounting debases cards' sentimental value—and we're selling sentiment," says John Kelly, vice president, supermarket sales, at Ambassador (Kansas City, Mo.). Adds Wynn Weaver, Kelly's counterpart at Cleveland-based American Greetings, "You don't have to discount greeting cards to sell them. Discounting does increase sales—but nothing like what's needed to achieve the same bottom line results."

He notes that stores discounting cards 30 pecent "have to do five times as much volume to earn the same amount of profit" provided by full list prices. By the same reckoning, Kelly notes that the 40 percent discounter "has to increase

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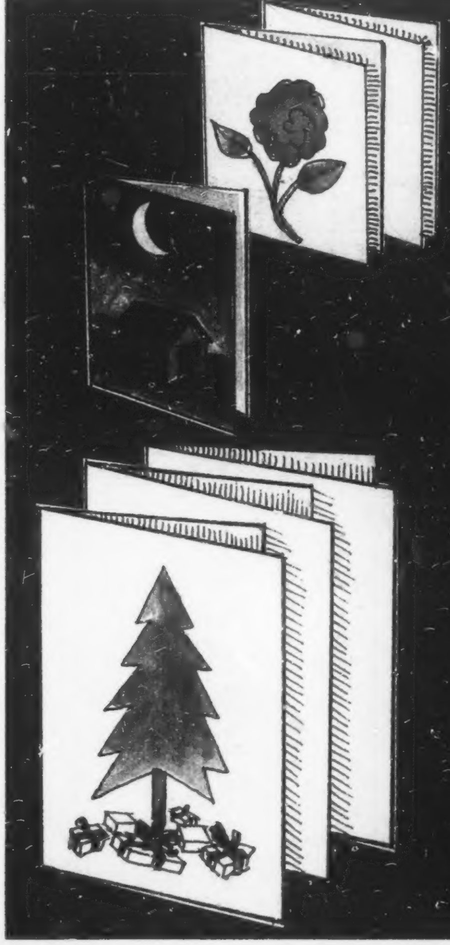

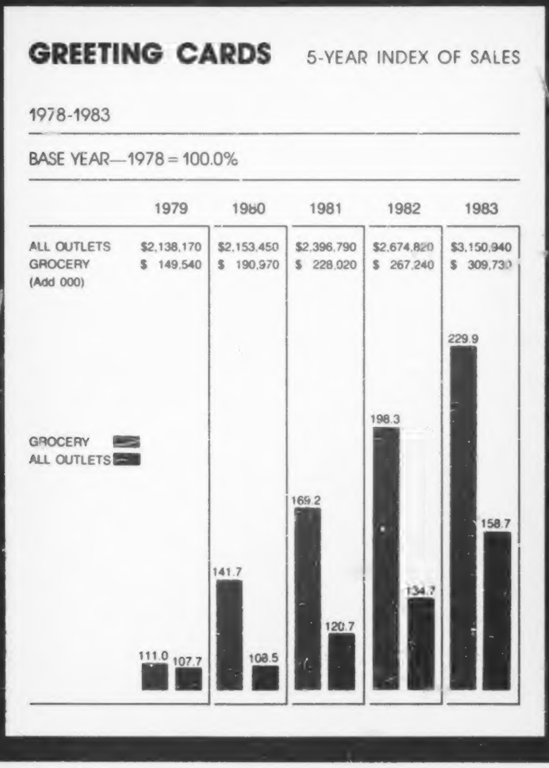
GREETING CARDS 5-YEAR INDEX OF SALES

1978-1983

BASE YEAR—1978 = 100.0%

	1979	1980	1981	1982	1983
ALL OUTLETS	$2,138,170	$2,153,450	$2,396,790	$2,674,820	$3,150,940
GROCERY (Add 000)	$ 149,540	$ 190,970	$ 228,020	$ 267,240	$ 309,730

DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

PERIODICALS

They threw the book at a lot of stores—and sales were good. Reading centers fared well in many stores, and periodicals and books are continuing to expand their sales in supers.

Periodicals gained even more momentum in 1984 as one of the top-selling nonfoods categories for supermarkets. Evidence that supers are committing themselves to the category can be seen in the increased amount of shelf space they are devoting to magazines and books, and in the rise in the number of titles they now carry.

There are several reasons that magazines and books are a lucrative category for supers. For one thing, magazines in particular are impulse buys, so when placed at the front checkout counters, chances are pretty good that they'll be purchased.

More importantly, Jack Fitzmaurice, president of Periodicals Institute, tells us, magazines are worth more than their cover price because of the numerous food advertisements, coupons and recipes within their pages.

Supermarkets, therefore, have begun to capitalize on the potential profit of periodicals by expanding their mainline racks, in some cases by as much as 50 percent. They are also beginning to cross-merchandise the category with appropriate products. And, some retailers have even begun developing entire reading centers to accommodate up to as much as 600 magazine titles as well as paperback books.

Today, magazine publishers rely quite heavily on supermarkets as a top outlet for them. And all report healthy supermarket sales increases. *TV Guide*, *Family Circle* and *Woman's Day*, the three original supermarket magazines, do the majority of their business through supermarkets. Supermarkets today represent 67 percent of *TV Guides'* total market, 80 percent of *Family Circle's* and up to 90 percent for *Woman's Day*. In fact, *Family Circle* and *Woman's Day*, both of which are loaded with coupons, food advertisements and recipes, were born in supermarkets and were developed as marketing tools for supers to sell their products.

Other publishers, such as Conde Nast and Hearst, have in the last five years become increasingly visible at food chains.

Conde Nast, which publishes 10 titles ranging from *Glamour* to *Gentleman's Quarterly*—all of which to some degree are sold at supers—reports that sales in supermarkets are definitely on the upswing. According to Bill McCollough, marketing manager for Conde Nast, supermarket sales are moving at the same rate as the publisher's overall retail sales gains—about a 34 percent increase over the last five years.

ICD/Hearst, the distributing arm for Hearst publications as well as a number of associated publishers and paperback companies, also reports a "steady growth in supermarkets," according to Jim Mayor, vice president of marketing opera-

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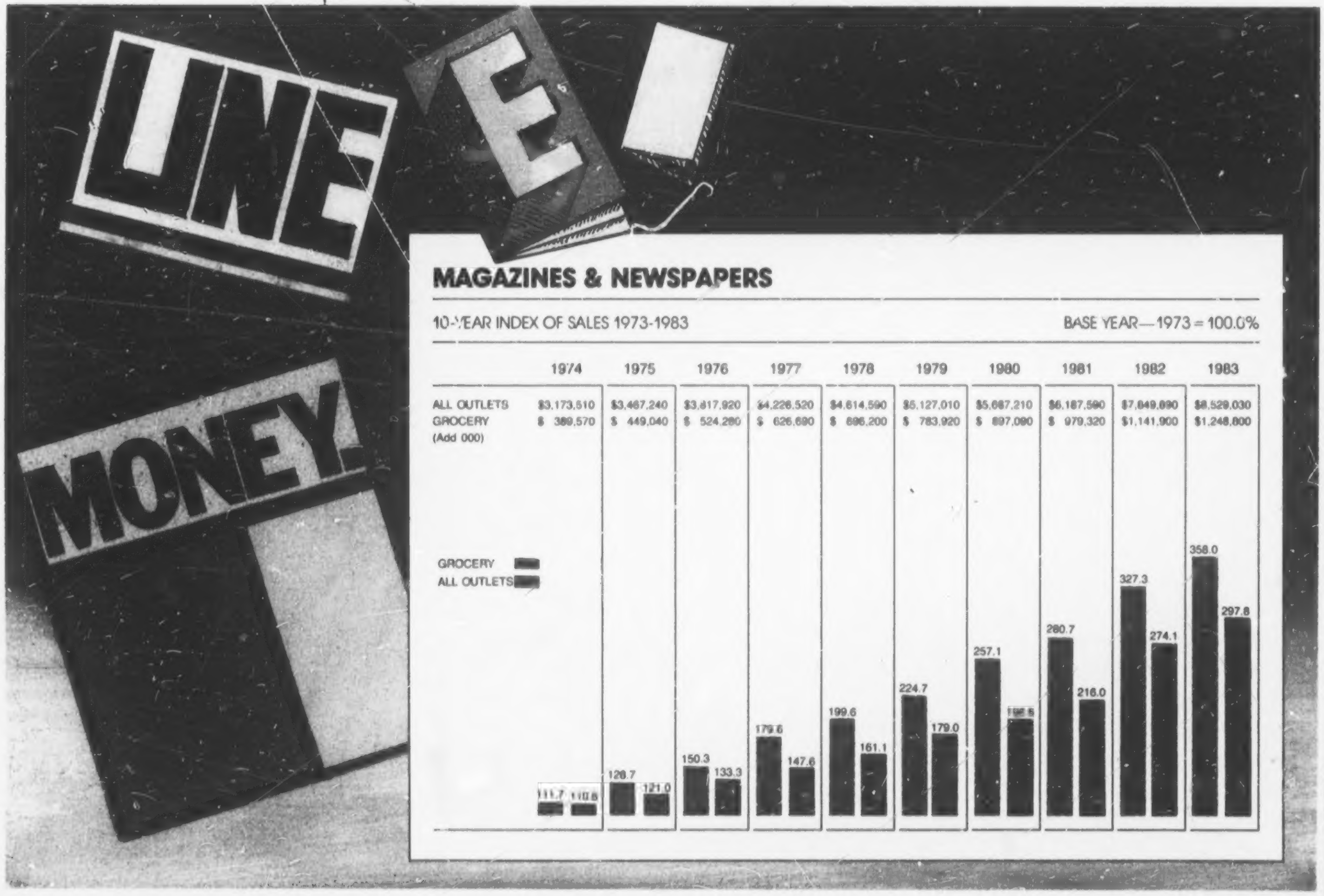

MAGAZINES & NEWSPAPERS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$3,173,510	$3,467,240	$3,817,920	$4,226,520	$4,614,590	$5,127,010	$5,687,210	$6,187,590	$7,849,890	$8,529,030
GROCERY (Add 000)	$ 389,570	$ 449,040	$ 524,280	$ 626,690	$ 696,200	$ 783,920	$ 897,090	$ 979,320	$1,141,900	$1,248,800

DRAWING BY ROBERT STRIMBAN

PERIODICALS/CONTINUED

Continued from page 102

tions for ICD/Hearst.

Despite the growth reported by publishers, there's a greater effort than ever on the part of publishers to better sell the category in supers. Conde Nast, for example, this past spring developed a 10-minute training film specifically for food chains to help them better merchandise magazines in their stores. According to McCollough, the film, which is free of charge to retailers, is a first for the industry.

Recently, Conde Nast developed a 10-minute training film specifically to help food chains better merchandise magazines.

ICD/Hearst has developed a variety of cross-merchandising programs which it is bringing to food retailers. For instance, the distributor can construct for supers a Bon Appetit deli program in which *Bon Appetit* is cross-merchandised with specialty foods in the deli sections.

"ICD works with chains in creating customized approaches to selling," according to Mayor. He says, "There are magazines to complement just about any store product," adding that the more aggressive food chains have been tying in with ICD special promotions such as a "July 4th Picnic" theme in which magazines are cross-merchandised with the appropriate picnic items.

Bantam Books shifted its marketing strategy somewhat about four years ago when it began taking a serious look at supermarkets as a potentially strong outlet. It also firmly believes in cross-merchandising books with other products.

"A lot of growth potential is in cross-merchandising," says Sid Hoenig, retail chain sales manager for Bantam Books. According to Hoenig, "Through cross-merchandising you can expect to sell through almost equal to a best seller. In other words, you can turn a six-pocket shelf extender eight to twelve times a year." He also notes that by using a book extender to cross merchandise, the retailer increases book space while using otherwise non-productive space.

According to Hoenig, by placing Bantam books alongside related merchandise, retailers increase sales of both books and products. He says that retailers report sales have exceeded their expectations without taking away from mainline racks and checkouts.

Examples of books that Bantam suggests cross-merchandising with other products include diet books (such as *The Complete Scarsdale Medical Diet*) with diet products and low calorie sodas; baby and child care books (such as best selling *Vicki Lanksy's Toilet Training* book) with diapers and other infant products, and cookbooks (*Better Homes & Garden New Cookbook*) with baking products.

Apart from cross-merchandising, retailers are taking advantage of store-within-a-store concepts by creating their

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PET NEEDS/CONTINUED

Continued from page 84

ran its second annual "Search for the Great American Dog" contest. The first contest drew more than 26,000 entries. The winner, who will receive $25,000 in cash, a photo on eight million bags of Dog Chow, a trip to New York and an appearance in the Macy's Thanksgiving Day Parade, will be announced in November. In another promotion, Ralston Purina offered proof of purchase refunds good for visits at the vet's.

In keeping with the "what's new is what sells" theme, Ken-L Ration, owned by the Quaker Oats Company of Chicago, will introduce a number of new products later this year. According to a spokesperson, Puppy Kibble and Bits will be the first, four-component, two-textured puppy food that provides all the nutrients required by young dogs, along with the flavors of adult dog food.

Puppy Kibbles and Bits will be available in four-, eight- and twenty-pound bags, and the introduction will be supported by network television ads, free-standing newspaper ads, direct mail and coupons.

Ken-L Ration will also add an entry to the lucrative dog treats segment of the industry. This segment of the pet food business has seen a 25 percent growth in volume by pounds as well as $40 million in sales over the last year. "We're selling a lot more dog treats than we used to," says Ferguson of Raley's.

Ken-L Ration will introduce "Snausages" in November. Snausages is a premium sausage-style dog snack that will come in two flavors—beef and liver.

Snausages may turn out to one of the more mundane dog snacks if the recent growth in the pet treat segment of the industry continues. Fortune cookies, Valentine's Day hearts and liver paté are a few of the other items now being marketed through supermarkets as what have been labelled "gourmet pet products."

Dogiva, a Los Angeles-based specialty pet products manufacturer, distributes its cookies and hearts through department stores, but Famous Fido's Doggie Deli, a Chicago-based concern, has begun to appear in supers. Famous Fido products include tuna treat, cheese logs, chicken-à-la-fido and steak and kidney ragout. The company is also planning a line of "Feline Fritters."

In what appears to be an off-year for the pet food industry, chain buyers have had to display items to sell and often this has meant rapid switching around depending on sales. "We've seen some increase in pet food sales but only because all sales have increased," said Ferguson of Raley's. "There has been no percentage increase so we are not increasing shelf space. What we have to do is swap the items around, making sure the sellers are out there." Much of the swapping is in connection with manufacturer or store promotions. Raley's includes pet food products in its weekly print advertising.

If chain buyers and manufacturers of pet food are correct in their predictions, the number of pets in the country (currently put at some 91 million cats and dogs) is not going to decrease. It would appear that the nation's canine and feline populations—particularly the dogs—will be eating more dry food, and be rewarded more often with special treats. And the cats just may be about to be the center of attention in an explosion of new cat box filler technology. Meanwhile, manufacturers are working overtime with promotions and new packaging to keep their products on display. ■

—ROBERT MILLER

PERIODICALS/CONTINUED

Continued from page 104

own book and magazine centers.

According to Conde Nast's McCollough, "Reading center growth has been phenomenal in the last few years. There is a greater trend towards this with the implementation of total magazine/book/paperback sections."

Ralph's Grocery Co. (Compton, Calif.) recently developed "expanded reading centers" spanning several hundred square feet in selected stores to accommodate more titles and paperbacks. In newer stores where it may not be introducing reading centers, Ralph's is expanding its mainline magazine/book sections to an average of 32 feet.

Red Owl Stores (Hopkins, Minn.), in the last year began implementing off-rack magazine departments in addition to its front-end racks, with lengths ranging from eight to twelve feet. Red Owl has also begun introducing book sections in its outlets.

Piggly Wiggly Southern Inc. (Vidalia, Ga.) has expanded its magazine/ book sections by 50 percent in the last five years, accoring to Billy Bush, buyer for the chain. About five years ago the southeastern chain introduced book sections as well and reports that Harlequin romances sell the best.

According to ICD's Mayor, magazines and books sell best

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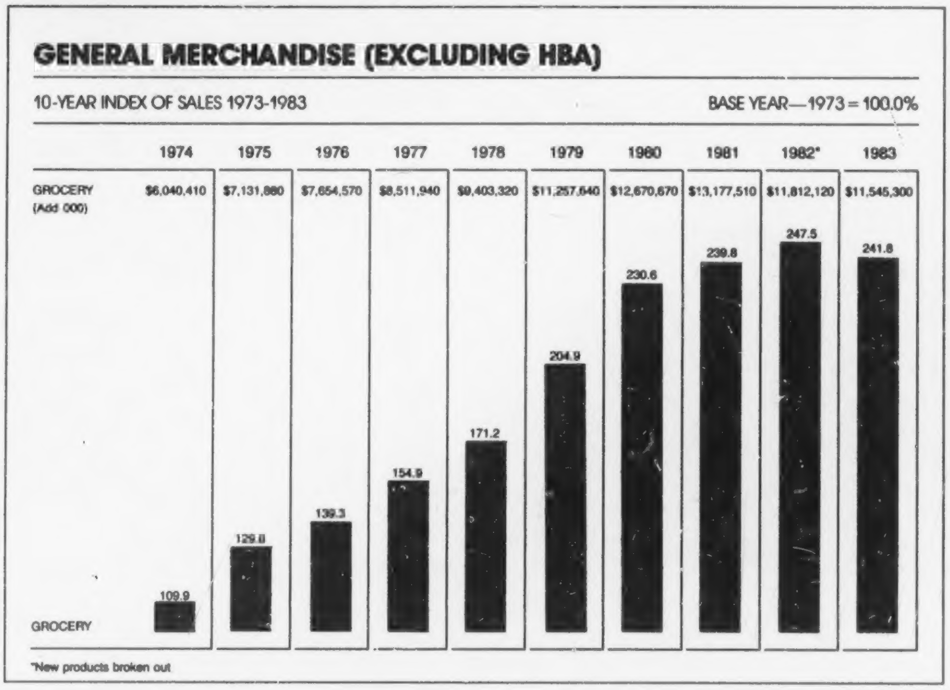


GENERAL MERCHANDISE (EXCLUDING HBA)

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

*New products broken out

PROCTER & GAMBLE

NOTICE TO THE TRADE

ATTENTION STORE MANAGER:

We offer Cooperative Merchandising Agreements, promotion allowances and merchandising materials which are practical and usable by all retailers regardless of size.

Payments are made for newspaper or handbill featuring, display, and consumer directed promotion. Details are set forth in specific agreements. Proof of performance (e.g. tear sheets) and proof of delivery (jobber's invoice) are required for payment of allowance. Our merchandising materials consist of display material, newspaper mats and proofs etc.

If you would like to receive specific information on offers available to you, send your name, address and telephone number to Procter & Gamble, Box 162, Cincinnati, Ohio 45201. Please specify, if possible, the Division in whose brands you are interested.

Packaged Soap & Detergent Division
Beauty Care Division
Health & Personal Care Division
Paper Products Division
Food Products Division
Bar Soap & Household Cleaning Products Division
Coffee Division

Notice to all retailers

Periodically, Mobil Chemical Company's Consumer Products Division offers promotional discounts and/or special allowances for displaying, advertising and promoting its Hefty® line of products.

For details send your Name, Address and Telephone Number to your local Mobil Chemical sales representative or write to: Mobil Chemical Company, Consumer Products Division, Sales Promotion Department, Pittsford, N.Y. 14534.

Mobil Chemical Company
Division of Mobil Oil Corporation
Consumer Products Division
Pittsford, N.Y. 14534

PERIODICALS/CONTINUED

Continued from page 106

in "environments specifically designed for them." They also sell extremely well at check-out counters.

More and more publishers are working with food retailers through the use of special promotions to beef up sales. These include price promotions, special displays and sweepstakes tie-ins.

Ralph's periodically stages a bargain book program featuring 35 to 50 percent off publishers' pre-prices, according to Craig Calton, vice president-gm for the west coast chain. Ralph's also occasionally ties in with publishers promotions such as Family Circle's Great American Sweepstakes.

Red Owl Stores runs first-digit discounts of 10 percent on all magazines and books in its warehouse-type food stores.

Harlequin provides retailers with its own Harlequin book racks. The publisher also has available a limited selection of sample books which can be used for giveaways at food store openings and other special events. Additionally, Harlequin has just launched a sweepstakes to introduce a new line of paperbacks. It will be supported by a coupon program at the point of purchase.

The book publisher has also developed its own planogram kit, "Magneboard," which is a graphic representation of a community book rack. It has been created to "provide shelf management to help retailers increase turnover," according to Paul Clarke, product manager for Harlequin.

TV Guide offers special displays and dumps for its fall previews issue as well as retailer promotional aides and POP material. *Woman's Day* provides special display units to improve the front end of supermarkets.

Family Circle conducts ongoing research projects to help supermarkets boost their sales of all products. It also works with supers to create auxillary displays to help move magazines. An average of eight consumer promotions are launched each year, such as the "All American Shopper" campaign (a store manager contest to help move product), according to George Edwards, senior vice president, circulation director for *Family Circle*.

Conde Nast, meanwhile, is working on a special promotion with retailers in 10 markets using dump displays to promote fall fashions. ■

—LAUREN YANKUS

Publishers are working with food retailers to beef up sales through special promotions.

CEREALS/CONTINUED

Continued from page 88

them," and which have really taken off, thanks to the advertising dollars behind them.

Among hot cereals, the hot news is the growth of instant (mix-in-bowl) products, which cater to the growing demand for convenience foods. Quaker's Watts reports that these instant hot cereals now, for the first time, account for "more than 50 percent of the hot cereals category for us." With the upcoming introduction of Ralston Purina's Sun Maid Instant Hot Cereals (three varieties) and Nabisco's addition of two new flavors to the Mix 'n Eat Cream of Shredded Wheat line, retailers can look forward to an increase in hot cereals sales this winter. The back-to-school period and the winter months are the prime selling times for hot cereals, especially in the Northeast. According to one Midwestern retailer, "Quaker is definitely number one. You can't keep that on the shelves when it's cold out."

A product's introductory phase provides the greatest opportunities for retailers to stimulate category sales, although most supermarkets will advertise at least one or two cereals each week. General satisfaction is expressed with the television and print advertising that usually accompanies the introduction of a cereal, and retailers often create end-aisle displays around the new product to give it a strong headstart. At Red Owl, "we bring in a whole pallet per store," says Dianne Gadd. She adds, however, that problems arise when the introductory allowances are given six weeks *before* ads break, during which time the product "just sits on the shelf, which doesn't do either of us [the manufacturer or the retailer] any good."

Introductory periods aside, cereals are often not as highly promoted as many other supermarket categories, and special displays or promotions are built around them only when an especially good deal is available. Likewise, cross-merchandising is infrequent, occuring most often with fruits or children's cereal bowls, if at all. Space devoted to cereals is generally fixed within a given store, but with the great variety of store sizes, it is hard to cite averages. In general, stores devote a full aisle to cereals, and this can run anywhere from 36 to 50 feet.

Despite a slight increase over the past few years in the number of breakfast skippers, approximately 84 percent of all potential breakfasts are still consumed in the home, according to a recent study conducted by MRCA Information Resources (Stamford, Conn.). And the excitement, convenience and variety of seemingly endless new products ensure that cereals will continue to play an important role in these meals. In upcoming years, both adult, more health-oriented cereals and children's pre-sweets will undoubtedly continue to be important, as will, on a lesser scale, hot and all-natural cereal products.

Add to this the probability of more children's reduced-sugar cereals and also the possible growth of new low-sodium goods, and retailers can expect an exciting start to their day. ■

—MARIANNE SKOCZEK

SUPERMARKET
BUSINESS
37th ANNUAL
**CONSUMER
EXPENDITURES
STUDY**

CANNED GOODS

What's in the can could be fresher-tasting, thanks to new technology to help spur sales. Aseptic packaging helped the canned goods field also.

Last year's big news in the canned category—aseptic packages and low-sodium and low-calorie lines—still are among the industry's hot subjects. Dramatic as those breakthroughs were, though, they are slowly being overtaken by others.

In the juice area, for example, aseptics are helping some producers expand their franchise in unexpected ways. A spokesperson at Ocean Spray explains, "Traditionally, our products have appealed more to older consumers. Now we're finding that kids who've tried us only since we introduced aseptics are drinking our products from that kind of container when they're on the go, and they're using our bottled drinks when they're at home. It's fair to say our move into aseptics has opened Ocean Spray's offerings up to a whole new group of consumers."

In many instances, consumers of that and other companies' drinks are finding that, when they want the bottled versions, they have less choice in sizes than before the onslaught of aseptics—thanks, in part, to the space pressures created instore by that new category of packages. At Big Bear Super Markets (San Diego), for example, a lot of single-service six-packed drinks "went by the wayside" to make way for aseptics, says Mike Rose, grocery buyer. "The same is true in the 46-ounce size of 10 percent juice drinks," he adds. "Some of them have been hurt by the entrance into the market of aseptics."

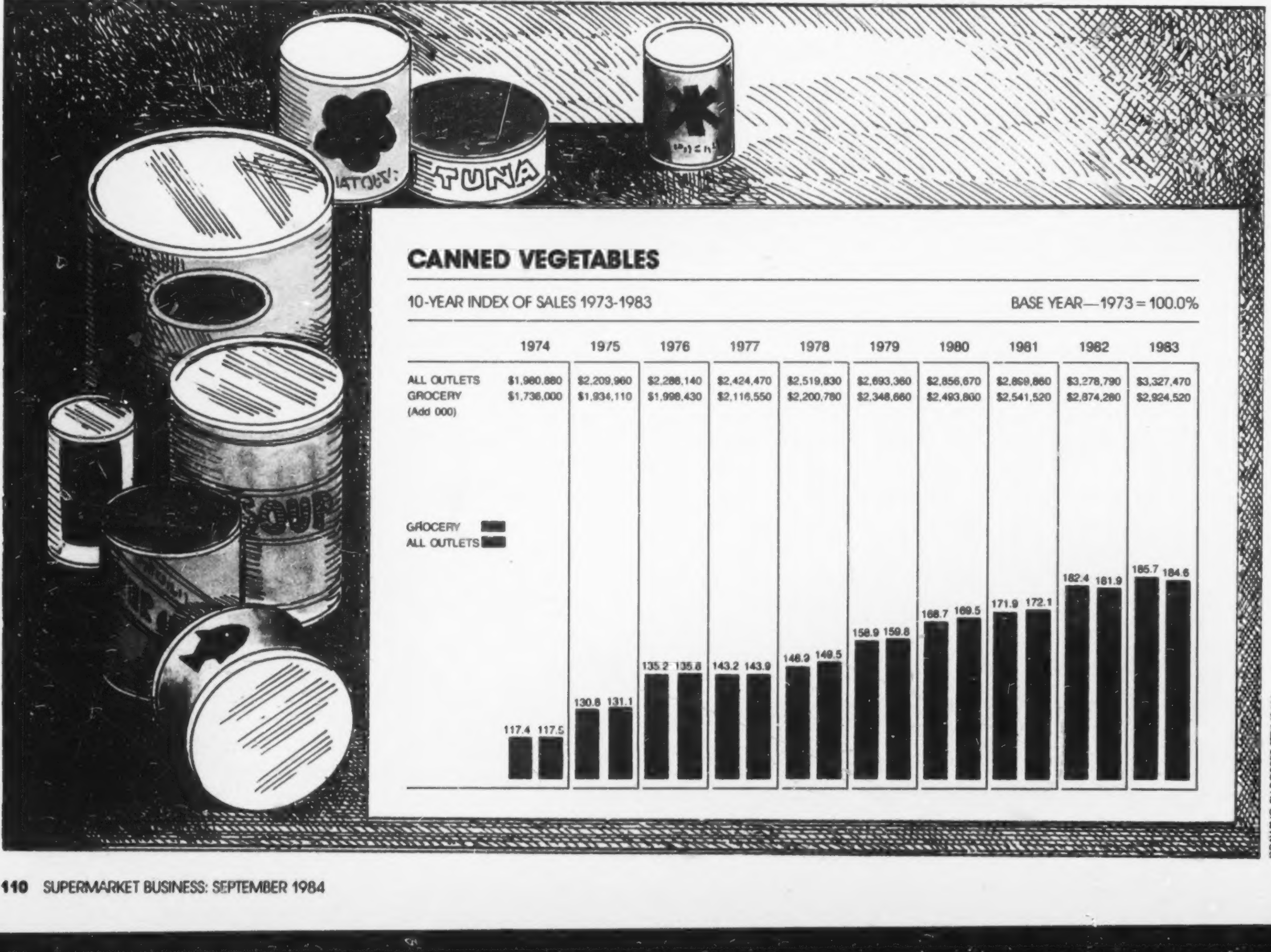
Gary Hammonds, grocery supervisor at Malone & Hyde's Sureway Stores (Henderson, Ky.), similarly shifted away from the smallest sized juice drinks to make way for aseptics. And Publix (Lakeland, Fla.) in some cases has had to move entire categories to get aseptics in, says Head Buyer Fred Langford.

Canned fruits and vegetables producers, meanwhile, are having their own kinds of space- and share-holding problems, particularly as pressure is stepped up by marketers of fresh and frozen equivalents of their offerings. Consequently, they and their packaging suppliers are working in assorted ways to upgrade the quality of the products each is responsible for. Where can manufacturers are concerned, this impetus, which carries over into such areas as motor oils as well as fruits and vegetables and soups, among other things, and involvement in innovations sometimes goes beyond the manufacturer's traditional prime-interest area. Take, for example, what the Continental Can Company is doing.

In practical terms, for practical reasons, that company has moved far beyond the comparatively simple business of making and selling "tin" cans.

It's also getting into experimental processing of food products. (See "Continental Tests New, Flavorful Canning Methods," SB, May 1983, p. 8.) During the past five years, Con-

Continued on page 113



CANNED VEGETABLES

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$1,980,880	$2,209,960	$2,286,140	$2,424,470	$2,519,830	$2,693,360	$2,856,670	$2,869,860	$3,278,790	$3,327,470
GROCERY (Add 000)	$1,736,000	$1,934,110	$1,998,430	$2,116,550	$2,200,780	$2,348,660	$2,493,860	$2,541,520	$2,874,280	$2,924,520

DRAWING BY ROBERT STRIMBAN

Though disarray implies good traffic, neatness in the cards' section must be maintained.

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sales by 600 percent" for the same profit volume. He (Kelly) cites the case of one company that went from selling cards at list prices to 30 percent discounting: "Their sales, the next year, were up 55 percent in volume—but their profit was down 65 percent. I told them, 'I'm real happy to see your volume so improved. Next year, so you'll move even more, I want you to give the cards away!' "

Neither he nor Wynn Weaver *really* want to see their non-discounted sales increased *that* way. And they refuse to cut into their far-from-excessive profits so retailers can give theirs away. To the contrary: Both feel sure the fact some manufacturers have done that has "a lot" to do with why, instead of the dozen or so major card companies extant a decade ago, there are only three today.

Kelly's point that "when the quality is there, shoppers aren't price-sensitive when buying cards" is coincidentally reinforced by a point expressed by a greeting card distributor and echoed by American Greeting's Weaver: "Cards are probably the least-pilfered line a supermarket stocks," said Ralph Furlo, Jr., a salesman for the past 13 years for the Pfeister Company (Saginaw, Mich.). Added Weaver, "People don't want to steal a card to give to mom on her birthday. Few are *that* unsentimental!"

Birthdays, anniversaries and other glad and sad occasions give Pfeister's 1,200 retailer customers around Michigan—and everyone else selling greeting cards—the "bread and butter" day-to-day sales amounting to around 65 percent of the year's total volume. The balance of sales precede holidays—and there are, when you count such non-holiday-but-special occasions as Halloween and Valentine's Day as well as parents' days and even Grandparents' Day, quite a few of those. Ambassador sells cards for nine special occasion "seasons," as Kelly calls them. He notes that it's particularly during the final week of each of those that retailers have to do everything possible to maximize sales. "That's when the bulk of special sales are done," he says, adding, "and those are the only times of the year when cards are planned purchases."

WHERE THE 1983 GM* SALES INCREASE CAME FROM

RANK	CATEGORY	SALES INCREASE OVER 1982 (000)	% OF TOTAL GAIN
1	Magazines & Newspapers	$106,900	25.9%
2	Photo & Film Processing**	62,080	15.0
3	Women's Hosiery	61,820	15.0
4	Flashlights & Batteries	49,590	12.0
5	Greeting Cards	42,490	10.3
6	Housewares	31,270	7.6
7	Toys	11,610	2.8
8	Pet Accessories	9,960	2.4
9	Men's & Boy's Underwear	7,580	1.8
10	Disposable Cigarette Lighters	6,980	1.7
11	Records & Tapes	6,680	1.6
12	Writing Implements	4,620	1.1
13	Men's Hosiery	4,080	1.0
14	Stationery	2,340	.6
15	Sunglasses	2,340	.6
16	Shoe Laces	1,510	.4
17	Vacuum Bottles & Jugs	440	.1
18	Playing Cards	330	.1
*Excludes HBA/Rx **Excludes movie film		412,620	100.0%

GM'S* 10 FASTEST GAINERS

*Excludes HBA/Rx

Rank	Category	1983 Grocery Store Sales (000)	% Increase From 1982
1	Food Preparation Glassware	57,470	16.3
2	Greeting Cards	309,730	15.9
3	Batteries	393,020	13.9
4	Mechanical Pencils	5,150	13.7
5	Film Processing	208,310	11.6
6	Beverageware	63,790	11.4
7	Tableware	26,770	10.8
8	Panty Hose	655,110	10.6
9	Magazines	968,810	10.5
10	Film	502,840	10.3

It's important to remember, he explains, "cards are the only products in the supermarket that generally aren't purchased for self-consumption—and most of those bought are selected on impulse. If the retailer is going to make the most of that, and the fact that—again, unlike anything else in the store—the 'social expression' greeting card is something each customer could choose to buy every shopping trip, department upkeep is essential." And it's neither fair nor reasonable, he and other suppliers say, for retailers to expect someone beyond their own staff to "always" have that responsibility.

"We want to help retailers as much as we can," says Weaver, "but there are practical limitations to how much we can do in the way of servicing their card departments. The economic reality is, when the volume is there, so are we, with service personnel." He cites one store—a Long Island (N.Y.) Pathmark, that is serviced "in the morning and again in the afternoon—it's that busy." Most often, though, his and other suppliers' stock-takers/section-straighteners visit stores on a weekly basis.

No greeting card section worth its space stays neat-looking even for a couple of days without some attention being paid to it, suppliers say. Because that's so, they strongly encourage retailers to assign someone to, as Pfeister's Ralph Furlo puts it, "police the racks on their way by—to put somebody in charge, to spend five minutes a day at it." One of his customers, Hamady Bros. Food Markets, says it "generally does a pretty good job" keeping card sections in good shape. Sales coordinator Everett Held, who's based at the company's headquarters in Flint, asks managers to assign someone to keep on top of the card sections—as does Roy Hill, advertising and merchandising manager for Rogers Markets (Ft. Wayne, Ind.). Most often, in his company's 11 stores, the person assigned that duty also has responsibilities in the HBA area.

Pinky Halvorson, vice president of Cincinnati-based Buzza Greeting Cards, doesn't say how often his people visit stores—but they may, because of his company's merchandising system, have to go in more often than might, say, an Ambassador order-taker/straightener. Buzza's "Everything Up Plus" concept centers on displaying all cards stocked by a store. Traditionally, reserve card stock has been held in drawers below the display fixtures—as it still is by Ambassador's and many of American Greetings' retailer

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CANNED GOODS/CONTINUED

Both individual companies and industry groups have launched campaigns that stress the advantages of canned goods.

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tinental has spent "around $5 million," says James Fridl, general manager, marketing, food operations, on research aimed at "bringing canned green vegetables more in line with consumer expectations of what such products should look and taste like."

That research began to pay off last year, with the introduction, in test markets, of "Veri-Green" canned peas. First marketed by Rogers Wala Wala, this product is a genetically reorganized pea—which is greener, to begin with, than its canned cousins—that is packed in an organically coated can designed to stabilize chlorophyll during the retort (cooking) phase of the canning process. This product now is being rolled out nationally by S&W Fine Foods (San Mateo, Calif.) and regionally—as a house brand—by an assortment of supermarket companies.

"We've found what could be called the Rosetta Stone of chlorophyll," says Fridl. The research work started because "the canned type of pea had become a product in trouble, with declining sales over the last 16 years." What Continental learned about peas has given the company "insights into how similar chlorophyll-stabilizing technologies can be developed for other green vegetables, such as beans, spinach and so forth," Fridl says.

Other manufacturers have also stepped up development. Goodyear recently announced the availability of a "polyester," or PET, can, using a new, patented heat-seat process (able) to withstand temperatures high enough for food sterilization. In part, this activity on the part of can manufacturers reflects what they see as a necessary reaction to aseptic packaging. At the same time, package producers are, just as significantly, reacting to the normal need in business to be innovative to realize growth.

A lot is happening to help canners hold—and, they hope, add to—their sales.

Individual companies, Del Monte prominent among them, are loudly advocating the advantages of canned products, and the fact that canned fruits and vegetables are as nutritious as their fresh equivalents (supported by a USDA report and by private research). Del Monte's budget in support of this message is $10 million, and is the first such expenditure made by this company in seven years.

It's paying off, too, in terms both of boosted sales and new distribution for the supplier, retailers report. Sureway Stores' Gary Hammonds says "sales have been up" since Del Monte's "higher than average" promotional allowances were put to work in his advertising. Leever Super Markets' (Devils Lake, N.D.) Bob Dahlen adds, "Prior to six months or a year ago, we never handled Del Monte at all; then there was increased customer demand for it, so we brought it in." Sales are steadily increasing, too, he says.

A message similar to Del Monte's also is being passed to consumers through food writers—thanks to an industry-supported program by the "Canned Food Information Council." Presently dealing just in public relations, this effort is expected to run to consumer advertising, as well, if members of the supporting trade groups—the National Food Processing Association, The Can Manufacturers Institute, and the American Iron and Steel Institute—come up with the necessary funding.

While those groups and their spokesperson, Peggy Fleming (see "Canning Industry Continues Nutrition Blitz," SB, June 1984, p. 11), promote *canned* products, some of the canners they are supporting are thinking in other directions. Campbell's, to cite just one, has reacted to what its vice president, marketing, Herb Baum, says is "the belief of *some* consumers that the can is an outdated package—that it's not as convenient as it once was; that they'd like some kind of container, given their increasing use of microwaves, that they could actually cook in and eat out of, and that is table presentable." His company now has under development a package that meets those perceived needs, Baum says, and widespread use is "imminent."

Beyond "imminent" is the status of the beyond-cans packaging of motor oils—using technology that is expected to take its place soon in several grocery categories. ■

—DOUG HARRIS

INCREASES IN GROCERY STORE MARKET SHARE FOR HBA

	1983	1982	1981
Acne preparations	18	18	18
Adhesive bandages	50	49	55
Aerosol shaving cream	45	45	44
After shave lotions	33	33	32
Antacids (effervescent)	51	50	50
Antacid liquids	42	40	39
Antacid tablets, pills, gums, lozenges	55	53	53
Antacid powders	42	42	42
Bobby pins	26	26	25
Bulk type laxatives	14	12	12
Cold tablets, capsules	51	50	49
Color shampoo	23	23	22
Coloring preparations	15	15	15
Contact lens solutions	8	8	7
Cotton balls	36	36	36
Cotton swabs	59	58	57
Cough & cold salves, ointments	36	36	36
Cough drops	34	33	34
Cough syrups, elixirs, expectorants	20	21	20
Denture cleaners	46	45	43
Diarrhea remedies	52	51	51
Eye lotions, washes	44	43	42
Eye makeup products	19	19	19
First aid kits	52	52	52
Gauze bandages	24	23	23
Hair brushes	32	32	31
Hand & body lotions	39	38	37
Hemorrhoidal suppositories	28	28	27
Home permanent kits, refills	19	20	20
Hypoallergenic infant formulas	85	85	84
Liquid douches	33	33	32
Makeup bases	5	5	5
Manicure implements	26	27	26
Medicated shampoo	53	51	50
Men's hair dressing	49	49	48
Menstrual analgesics	45	44	44
Mouthwashes, gargles	51	50	47
Nail polish removers	21	21	21
Nail polish & enamel	13	13	13
Nipples & pacifiers	44	43	42
Nursing bottles	19	18	18
Pin curl clips	34	35	35
Razor blades	47	47	47
Reducing preparations	27	26	27
Roll-on deodorants	44	43	43
Routine infant formulas	84	84	84
Sanitary napkins	63	62	62
Stick deodorants	60	61	62
Suntan lotions & oils	17	17	17
Tampons	58	59	59
Toothbrushes (non-elec.)	32	32	31
Toothpaste	65	64	63
Women's hair dressing & conditioners	46	45	45
Women's hair spray	46	46	45

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

PHOTO SUPPLIES

This year photo supplies in food chains seem poised to migrate from old locations on the odd J-hook or endcap of checkout to fully fledged photo/imaging service departments. With America's love affair with all kinds of cameras showing no signs of abatement, the old reliable supermarket mix of 110 and 126 film and flashbulbs has been augmented by the super-fast 1000 ASA, less expensive 35mm cameras, blank video tape, and even movie rentals for home VCRs.

Food store film processing has also grown apace over the past year. Ted Fox, manager of marketing research and analysis for the Photo Marketing Association International (Jackson, Mich.), estimates that the supermarket share of the film finishing business has grown from six to 10 percent within the past year. This translates into about $225 million in sales. "Hot products in food stores now," says Fox, "are 35mm and disc camera film; while 110 film is softening. Polaroid one-step cameras sell well in food stores, as do some of the smaller, less complex 35mm cameras—which are now being sold in about 65 grocery and convenience store operations."

Increased product lines and the introduction of video products to the photo supplies mix has made the prospect of a separate photo department seem much more feasible to some chains. Corpus Christi, Tex.-based H.E. Butt has already, or is in the process of, installing service counters in all their stores. "For photo, we have a counter-style drop-box for our processing operation and glass cases with cameras and film and other supplies. One person mans the department, where we also merchandise electronics products and franchise cosmetics," explains vice president of general merchandise Pat Dewane.

A separate photo service counter is especially important, says William Lawrence, marketing director for Fuji Photo Film (New York), for those stores that provide photo finishing. "It's best to have a central location for dropping off and picking up the film, and you need to have someone constantly present so the customer doesn't have to wait around."

Denver-based King Soopers, with 63 stores in the Colorado area, follows the Lawrence prescription for merchandising photo supplies and processing. "We have about eight feet of shelf space devoted to raw film, set up in an aisle adjacent to our photo service counter," says merchandising exec Tim Bellanti. "And behind the counter where a clerk is always available, we display the more expensive 35mm films and instant print films."

But the decision to allot department-size space to photo in a retail trade where "the battle for shelf space" can be particularly bloody requires some heavy justification. Per-

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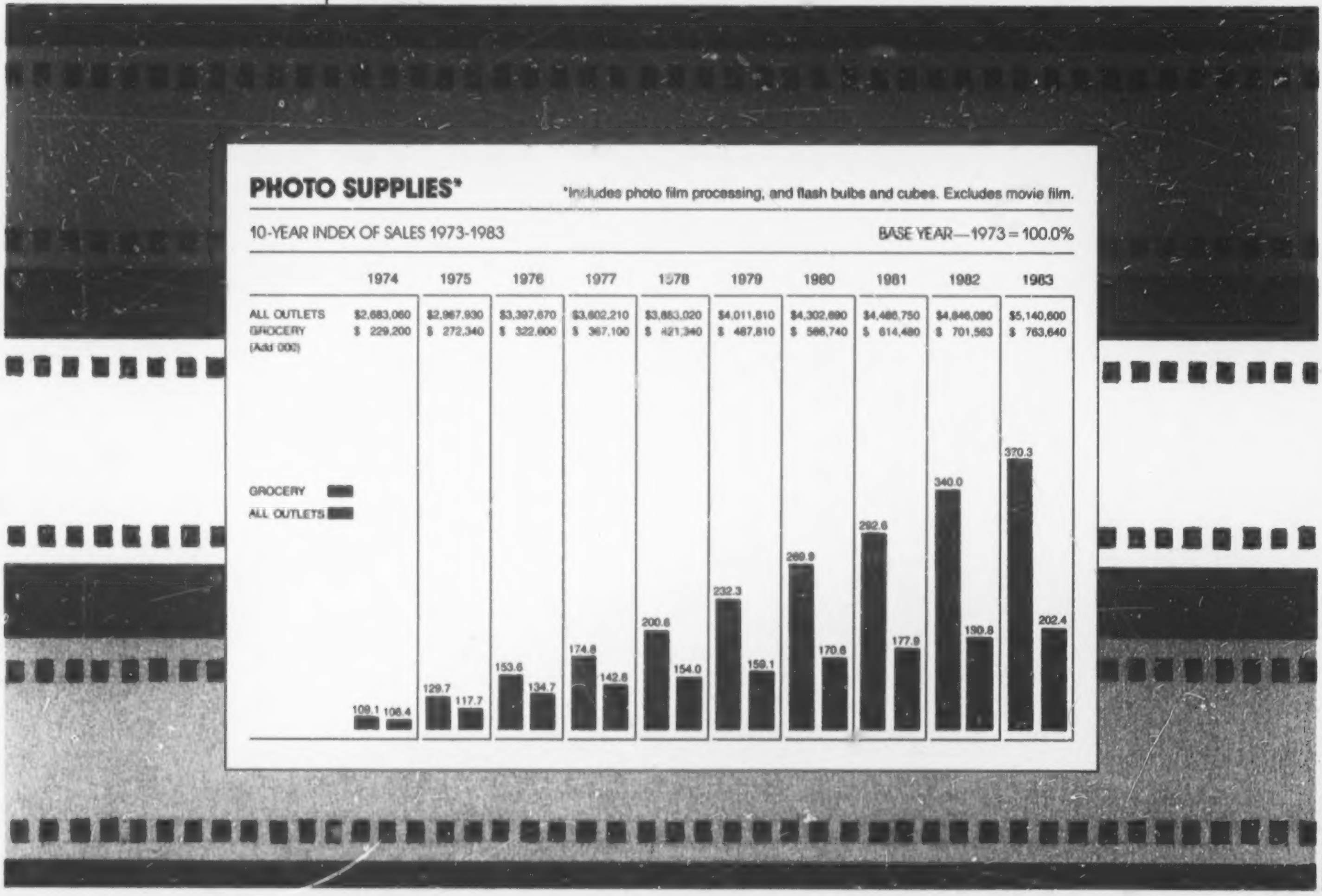

PHOTO SUPPLIES*

*Includes photo film processing, and flash bulbs and cubes. Excludes movie film.

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$2,683,060	$2,967,930	$3,397,670	$3,602,210	$3,853,020	$4,011,810	$4,302,690	$4,486,750	$4,846,080	$5,140,600
GROCERY	$ 229,200	$ 272,340	$ 322,600	$ 367,100	$ 421,340	$ 487,810	$ 566,740	$ 614,480	$ 701,563	$ 763,640
(Add 000)										

DRAWING BY ROBERT STIRMAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

BEER

Low alcohol is getting a lot of publicity, but the sales remain to be seen. The market as a whole is flat.

This has been, so far, a year of no-alcohol and low-alcohol beers, at least in terms of publicity. As for sales, it hasn't been much of anything, either for these new, relatively untested brands, or for the beer industry as a whole. Overall beer sales for the first six months of 1984 are down about one percent from the year before. There are exceptions: Anheuser-Busch and Stroh Brewing Company are having a good year, as are many of the imported brands, notably Van Munching's Heineken and the Canadian beer segment. But even among those brewers with sales gains, growth is nowhere near as strong as it has been in the past.

Beer consumption has been fairly stable, even stagnant, some would say, over the last couple of years. It's hard to say exactly why this is so. The slow growth of beer sales is especially surprising compared to the tremendous sales gains posted by brewers in the '60s and '70s. Some people believe that there is a national movement towards moderation, even a born-again temperance drive that has been responsible for changing beer drinkers' habits. There has indeed been a strong grass-roots movement against excessive drinking, especially coupled with driving; organizations such as Mothers Against Drunk Drivers (MADD) have gained much publicity and helped to bring to light the problems of alcohol abuse among young people. In addition, there have been efforts in many states to raise the legal drinking age to 21; a national drinking age of 21 is now being considered. This, of course, would have an effect on one of the strongest beer-drinking segments in the country currently, the 18- to 21-year-olds. These trends, however, don't fully explain the lack of strong, certain growth for beer in the recent past, when the market grew by three or four percent a year. The answer may lie with the fact that the U.S. population is getting older—the great sales growth in many consumers areas brought on by the baby boom generation is clearly waning.

"It's a lot more simple than people are saying. The baby boom is over," says William Hayes, The Stroh Brewery Co.'s national director of sales, explaining his reasons for sluggish beer sales in the industry. "There's not a tremendous national drive for moderation; there's a lack of young people, the strongest drinking segment. As people age, they usually tend to moderate their drinking habits. It's a question of demographics."

Some would argue against that, especially the activist groups promoting tougher drinking-and-driving laws and higher drinking ages. Some brewers, such as Anheuser-Busch, do feel that there is a trend towards moderation. Further than this, though, there are people who oppose the

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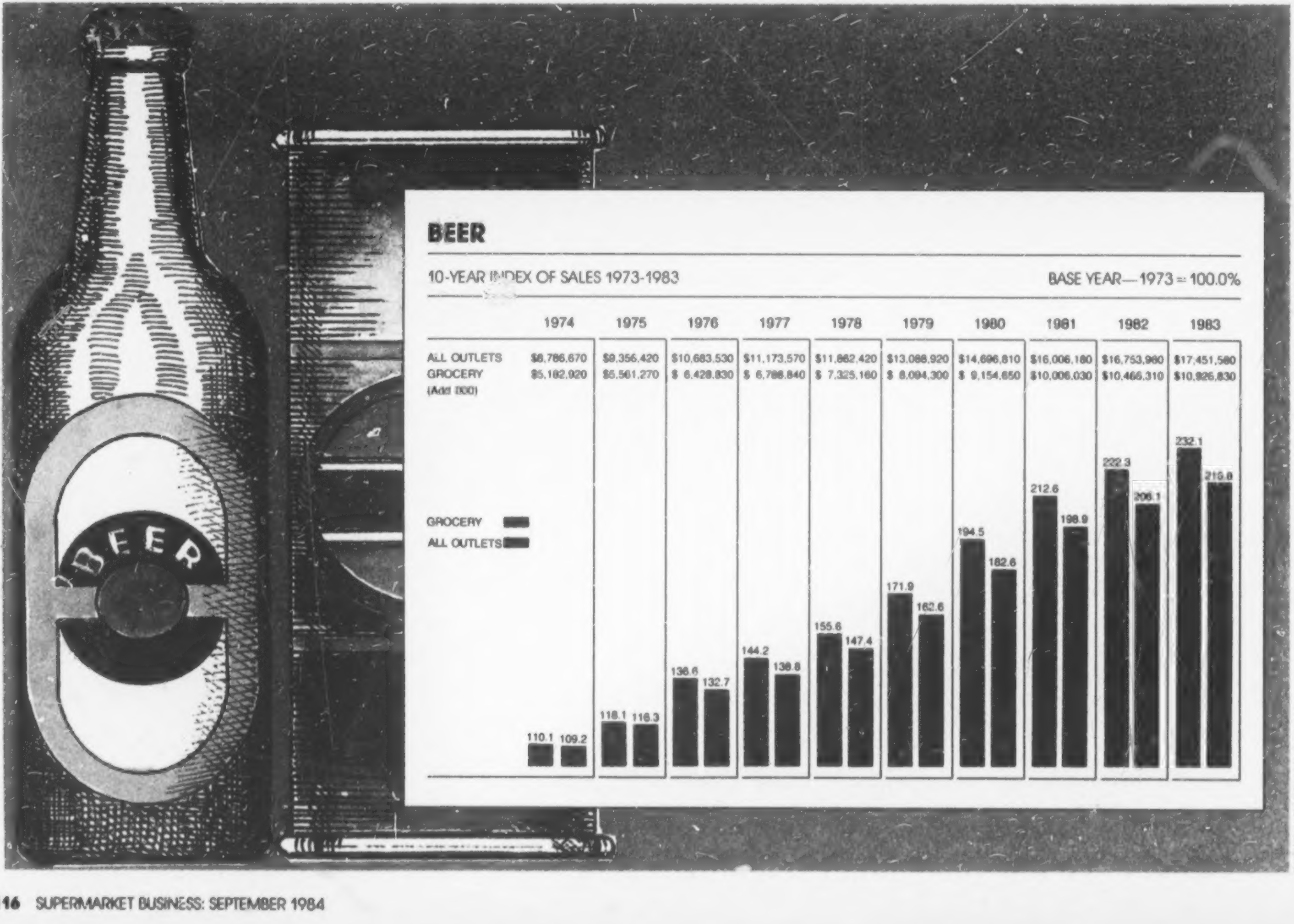

(Add 000)	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$8,786,670	$9,356,420	$10,683,530	$11,173,570	$11,862,420	$13,088,920	$14,696,810	$16,006,180	$16,753,960	$17,451,580
GROCERY	$5,182,920	$5,561,270	$ 6,428,830	$ 6,788,840	$ 7,325,160	$ 8,094,300	$ 9,154,650	$10,006,030	$10,466,310	$10,926,830

DRAWING BY ROBERT STRIMBAN

BEER/CONTINUED

Continued from page 116

seeming blanket of beer ads on television, especially on sports programming, that they feel induce people to drink who normally wouldn't. Stroh's Hayes disputes this. "If we're causing people to drink who wouldn't drink, consumption would be up—and it's not. The major brewers are trading shares."

This is where the fiercest competition has been recently—among the top brewers. Anheuser-Busch continues to lead the pack, but Stroh has continually strengthened its market share (in this, the first year it is going national), as has Heileman. The Miller Brewing Company has not been having a good year—sales of Miller High Life are down—but it is trying to strengthen its position in the increasingly crowded popular-priced beer segment, an area that Miller had abandoned in the mid-1970's. Miller recently introduced Milwaukee's Best and Meisterbrau, both of which are doing well. Coors is attempting to strengthen its weakening sales by expanding into as many states as possible; results so far are mixed. Coors had lower barrel sales, net sales and net income for the second quarter and the first half of fiscal 1984. Beer shipments for the second quarter were down 5.7 percent. The company is still hopeful about sales in the states it's expanded into this year. The Pabst Brewing Company, the nation's sixth largest brewer, has had declining sales this year.

The price competition has been heavy among the brewers, and stores have had great success with specials this year, which has otherwise been an undistinguished one. "Sale beer has done exceptionally well," says a spokesperson for Dominick's Finer Foods (Northlake, Ill.). This has been true around the country.

If the major brewers are trading shares among the existing beer consumer, they are also trying to entice more people into buying beer with a newly expanded category, low-alcohol beer, which might capitalize on the tenor of the time, if this is a more temperate one. The biggest rollout has been for Anheuser-Busch's LA. Some industry observers feel that the scope of Anheuser-Busch's rollout implies that the brewer feels that the low-alcohol segment has great potential, and the company wants to have a firm toehold there.

Anheuser-Busch says that its LA has been so successful in its introduction that the company has accelerated the national distribution. "Since it was introduced into 65 percent of the nation in May," says Michael J. Roarty, executive vice president and director of marketing, "LA has been positively received by retailers and consumers. Accordingly, we'll make it available in the remainder of the country sooner than planned originally." The beer should be national by sometime in September.

A spokesperson from Anheuser-Busch adds, "The repeat on LA has been much better than anything we experienced before for new prod-

Continued on page 121

In general, imports are doing extremely well, and the segment continues to expand.

BAKED GOODS/CONTINUED

Continued from page 98

white bread rose 3.3 percent, and variety bread a shade less at 2.8 percent. Fresh biscuits, rolls and muffins saw a 2.7 percent price increase.

Price advances were somewhat higher for sweet goods, with fresh sweet rolls, coffeecakes and doughnuts up 4.4 percent, and cakes and cupcakes up 4.0 percent

This moderate price climate helped commercial baked goods face up to a sales increase of 19.1 percent in the instore bakery sector. This aggressive advance is the result of both more instore installations coming onstream and increases in average sales per store.

Commercial bread and rolls managed a 2.9 percent increase in sales, close enough to the price rise to suggest tonnage remained about the same as 1982. With only a 2.7 percent increase in sales of sweet goods, however, tonnage appears to have eroded slightly.

Well-bred bread

In the 10 years ending in 1982, per capita consumption of white bread fell by 42 percent to 25.8 pounds, causing many white bread plants to shut down their ovens. While white is still the largest seller, however, consumers are increasingly drawn to variety breads.

Major bakers, like ITT Continental Baking Co., continue to develop new variety bread products like the company's Soft Wheat, which was formulated to provide an alternative to the dense, coarser whole-grain varieties that children tend not to like. The company is also testing several other varieties of dense wheat breads.

Bread is frequently one of the first foods to be scuttled when a weight-reduction regimen is initiated. The importance of bread in providing necessary carbohydrates is often overlooked.

A 1982 endorsement by the U.S. Surgeon General in which he characterized wheat foods as abundant, inexpensive and nonfattening is currently being printed by some bakers on their packages of white bread.

To react to consumer concern about sodium, the industry will have to communicate the special roles salt and sodium compounds play in bakery products:

(1) Enhancing flavor.
(2) Helping to control fermentation.
(3) Providing desirable gluten characteristics.
(4) Forming part of chemical leavening systems.

Unlike other foods where sodium is used to "hype" the taste, in baked goods sodium levels cannot be arbitrarily reduced without fundamentally changing the nature of the product.

As American as croissants

It's rare that a product registers a success simultaneously in three different departments of the supermarket, but that has been the case with croissants. In the frozens department Kitchens of Sara Lee offers a line of croissants; in the baked goods section, Pepperidge Farm presents its packaged fresh croissants; and in instore bakeries, according to recent research among operators, croissants are hailed as the most successful new products of 1983.

Continued on page 121

Price competition has been heavy among brewers, and stores have had great success with sales of just about any brand.

BEER/CONTINUED

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ucts. In that sense we're very pleased. Off-premise is doing better than on-premise sales, and we expected it to be just the reverse."

Some retailers don't feel that the low-alcohol segment is performing that well just yet—it's too new. "It's not really selling well yet," says Raymond Tadry, vice president of Lloyds Shopping Centers (Middletown, N.Y.). "In fact, the no-alcohol line is doing better. But something like low-alcohol takes a couple of years to break in."

At Dominick's Finer Foods, "Low-alcohol is just getting started, and so far sales have been small."

Anheuser-Busch says, "We anticipated that when we got into the LA process, it would be an educational program. We knew a lot of people would be reluctant to try it for any number of reasons; the trial has been about what we anticipated."

Some brewers feel that the low-alcohol category will take beer drinkers away from the light beer segment. "We think people who drink light beer are more likely to make a further jump to the low-alcohol beer segment," says Hayes of Stroh. At Heileman, the thinking is that a new market segment can be developed. John Pedace, vice president, marketing, says "Our LA beer is doing quite well. We think low-alcohol might take a little share away from the light beer segment, but there's a market out there for the person who could be a 'soft' beer person—physical fitness people."

It is typical of the highly competitive marketplace now that most major brewers have already come up with low-alcohol beers or are considering one. Anheuser-Busch is the first to make such a full-scale commitment to the low-alcohol category; the brewers that do have low-alcohol brands are proceeding more cautiously. Miller Brewing Company has entered its new low-alcohol Sharp's LA brand into five markets. Heileman's Blatz LA and Black Label LA are in certain markets. Stroh brought out Schaefer Low Alcohol in test markets, and other low-alcohol beers are being formulated and brought out on a limited basis by other brewers.

Retailers feel that the light-beer segment isn't performing as well as in the past; perhaps there is oversaturation here. This is a situation that probably will not ease up in the near future, since brewers are very confident of this category. Miller Brewing's Miller Lite is now the number two brand, behind Budweiser, having overtaken the relatively sluggish Miller High Life. And Anheuser-Busch's Bud Lite is doing "especially well," the company says. "We think it might be the largest-selling light beer in the industry, but we still have a long way to go if we want to be number one." Miller is confident enough in the light category to add Meisterbrau Light to its popular priced segment.

Among the imports, Amstel Light, from Van Munching & Co., is doing remarkably well; it appears that Amstel Light is becoming one of the top imports, Van Munching says. Beck's, the popular German import, perhaps in response to

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BAKED GOODS/CONTINUED

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The permanence of the croissant in American affections remains to be proved. But before it wears out its welcome, it's likely to be stuffed, iced, seeded and suffer other mutilations that would render it unrecognizable back in its Gallic birthplace.

How the cookie crumbles

The core group of cookie aficionados—those between ages five and 19—fell in number by 1.4 percent a year between 1977 and 1983. In real terms, cookie shipments were reported to have dropped by 6.3 percent in 1983.

Despite such seemingly unfavorable factors, the cookie sector is drawing formidable new competitors into the business, mostly to market the new soft, chewy cookies that are elbowing some traditional offerings off the shelf.

The soft, chewy cookies are typically made by a two-step baking process using two separate doughs. A crisp outside dough encases a soft one (given that property by corn syrup) within. Special foil-laminated packaging is used to preserve freshness.

That marketing cookies is no children's game is documented by a rundown of the list of muscular competitors:

☐ In its debut in baked goods, Procter & Gamble is putting its considerable weight behind Crisp & Chewy line under the Duncan Hines label.

☐ Frito-Lay, credited with originating the soft cookie concept, has augmented its Grandma's line with Rich 'N' Chewy.

☐ Nabisco Brands USA is defending its traditionally strong cookie turf with Almost Home.

☐ Keebler Co. is countering with Soft Batch.

While the cookie aisle has been clogged with test market promotions for the auditioning soft, chewy lines, crackers have been quietly increasing their sales.

In statistical reporting, governmental agencies usually report cookies and crackers together. But a breakout reveals that crackers' share of constant-dollar shipments rose from 46.8 percent in 1977 to 50.1 percent in 1983.

Part of the answer is more favorable demographics than that accorded to cookies. The prime cracker eaters—those between 20 and 49—rose in number by 2.6 percent a year between 1977 and 1983.

Among those seeking more than a few crumbs from this market, Pepperidge Farm is introducing a Distinctive Line of Crackers.

The baked goods section of the supermarket lost the spotlight over recent years to bright new instore bakery departments, and even to the innovative baked products that were added to the frozens department.

These days, however, branded bakers seem increasingly adept at identifying and satisfying changing consumer tastes. Be it darker, more textured breads, softer, chewier cookies, or a borrowing from the Continental repertoire like the croissant, there's the aroma of something new coming from those giant ovens. And there's the sign of new vitality in the baked goods department. ■

—ROBERT DIETRICH

BEER/CONTINUED

Some brewers feel that low-alcohol beer drinkers will come from the light beer segment.

the success of Amstel Light, is considering introducing a low-calorie version of Beck's.

In general, the imports are performing extremely well; sales are up about 10 percent this year. Some retailers say that people are beginning to buy imports more at supermarkets than in the past, as more Americans grow comfortable with the idea of imported beers. (Perhaps, too, the new, upscale supermarkets prove a better selling ground.) Kronenbourg has been growing at a rapid clip; sales are much better than predicted, the company says. Heineken is the leader by far among imports, but other brands, especially those from Canada and, to a lesser extent, Mexico, are beginning to show strength. Van Munching has just started brewing its own Canadian beer, Grizzly, and it appears to be a winner. Molson is the top Canadian import, but Moosehead is not far behind. A wide variety of Canadian beers have penetrated the U.S. and the market seems ripe for the products.

But imports in general are only a small, if growing, portion of the beer industry. The big three, Anheuser-Busch, Miller and Stroh, are formidable competitors indeed. Anheuser-Busch has increased its dominance in the market, from 34.1 percent for the first half of 1984, up from 32.5 percent for the first six months of last year. Stroh is up 3.5 percent for the first six months of this year and one of its brands, Schaefer, has performed 100 percent better this year than last. Miller, the nation's second-largest brewer, is having some troubles, and is examining the positioning of Miller High Life. There have been some personnel changes recently at the brewery. At Heileman, the fourth largest brewer, sales are about even or a little less than last year.

The fact that the industry is no longer really expanding means that the competition between the mighty giant brewers will be extremely turbulent. We can expect more price wars and heavily promoted new additions, as brewers hope not only, with luck, to gain a greater edge over the others, but prevent their own share from eroding. It's a market with a steady, perhaps dwindling, number of beer drinkers. ■

—BOB HUGHES

PHOTO SUPPLIES/CONTINUED

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haps the most potent "pro" argument involves gross dollars and profitability. "With an average price per unit of $7 plus, it doesn't take a whole lot of photo sales to fill up the register," points out Jim Hilderbrand, Polaroid's national marketing mgr., supermarkets.

"In addition," Hilderbrand continues, "a separate photo department is extremely important in positioning the food store in the customer's mind as a photo supplies and processing center.

H.E. Butt's expanded photo mix and quasi-departmental status have helped boost sales of product and of processing which, says Steve Jerkins, operations manager of HEB's photo processing center, "is up 40 percent this year in volume of film processed." The Texas chain also features about 13 SKUs of cameras—everything from disc cameras and instant-imaging models to the less expensive 35mm cameras.

Still, not every chain sees the advantage of adding camera inventories. "Camera sales seem to violate the supermarket retailer's basic orientation to volume sales and quick turns," says PMA's Ted Fox. Kodak agrees that the value of a separate photo department or an expanded photo supplies mix will depend upon the supermarket's basic attitude toward general merchandise, levels of profitability vs. volume and turnover, and the sale of hard goods.

One thing on which both suppliers and food retailers agree is that the supermarket has become one of the most important outlets for film, accessories and processing. "Our business with supermarkets has been growing at a constantly accelerating pace," says Polaroid's Hilderbrand. "During the past year alone growth was in the double-digit area."

"The convenience of the food store as a film processing drop-off point is gradually beginning to take hold in the consumer's mind," says Fuji's Bill Lawrence.

The major film suppliers are showing interest in supermarkets as distribution centers by developing special allowances, promotions and deals. Kodak, according to Allan Karcher, has improved the design of film racks with food stores in mind and has increased rack display allowances. Polaroid, according to Jim Hilderbrand, has developed consumer promotions that are easier for the food store retailer to qualify for, has designed special pre-pack displays, made available stock exchange programs, and developed various types of co-op advertising with special provisions for the supermarket retailer.

"There're some lucrative dollars available from the film manufacturers, and we take advantage," says Bellanti of King Soopers.

Advertising and frequent promotion are deemed essential to photo supplies and processing, not only to build traffic but to impress upon the supermarket customer that the store is seriously in the business.

Film processing is an area that's growing very fast in many supermarket chains. H.E. Butt's in-house film lab, introduced about two and a half years ago, has already become an important profit center. "Photo Place" guarantees one-day turnaround on film from two-thirds of the HEB stores and two days on the rest.

"I expect supermarkets to pick up a bigger and bigger share of the film processing market," says Fuji's Bill Lawrence. "The food stores' competition for that business today is no longer the shopping mall kiosk or the mail order deal, but the one-hour lab that features that quick turnaround. If food stores want a great piece of that market, they'll have to compete with these labs—perhaps by having their own minilabs on premises."

Several industry sources report that already some supermarket operations have installed minilabs. "I expect more and more stores to get involved in minilab processing," says Lawrence. "The labs themselves are becoming smaller, easier to operate and less expensive to install—the plumbing, for instance, has become a lot less complex. And this is what's needed for the labs to thrive in the food store environment—they have to take up very little space, not be too expensive, clean, and simple to operate."

Hot product categories include the new Kodak film products, especially the new superfast films, and the simplified, less expensive 35mm cameras.

Video products are also finding a natural home in supermarkets' photo supplies departments. "We're selling blank video tape and it's doing extremely well," says Dewane. "We also rent VCRs and the VHS movies. It's a lucrative new category, and promotes return customers." King Soopers also test marketed JVC blank video tape, which sold very well for under $10 dollars.

"The video business is growing very rapidly," says Polaroid's Hilderbrand. "Right now the deck is being shuffled, and if you want to be a player you had better jump in right now. Because right now is when customer buying habits are being established. ■

—R.F. McCARTHY

SUPERMARKET BUSINESS
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CONSUMER EXPENDITURES STUDY

TOBACCO

To ignite sales, the tobacco industry is packaging in new sizes, adding lower-priced brands and, of course, coming out with new kinds of smokes.

In the business of selling cigarettes, the name of the *new* game is "price stratification." Until recently, all cigarettes (except for those easily identifiable black and white packages of generics) were sold by an individual retailer at the same price. What's more, every pack had 20 cigarettes and every carton had 10 packs. No longer.

Manufacturers have begun to experiment with new packings (so far just 25's) and new prices. Whatever the fallout in the eternal battle among the six major manufacturers for share of market, some changes in the way supermarkets sell smokes seem unavoidable—although not undebatable.

Before examining which way the smoke is blowing at the checkout, here's a rundown of some of the innovations coming out of the tobacco companies:

☐ Last year R.J. Reynolds Tobacco Co. brought out Century in a 25-pack selling at the same pack price as 20-pack brands. Brown & Williamson Tobacco Corp. subsequently hung its Richland 25s on the same marketing peg.

☐ Doral, a name with which many smokers were familiar although few still bought the product, was affixed by R.J. Reynolds to a reformulated "discount brand." The ads promise "generic prices."

☐ Philip Morris is also fishing the 25-pack waters with tests of Marlboro Red and Marlboro Lights. Priced at a 20 percent premium, these 25-packs are positioned as offering smokers convenience rather than savings.

☐ Liggett & Myers meanwhile is testing "mid-priced" Stride, which sells for ten cents less a pack than conventional brands.

After the Fall?

Why are the tobacco companies applying their superpower marketing tools to demolish the uniform-pricing structure that has served them so well for so long?

Obviously part of the answer is a new willingness to counterattack generics with *price* rather than image. Another may be desperation to increase, or at least to hold onto, market share in an industry whose total annual sales tonnage "may have seen its highs."

That's the word from John C. Maxwell, Jr., A.G. Becker Paribas, whose compilation of industry statistics is the acknowledged standard.

After recording a tonnage decrease of 4.5 percent in 1983 and 2.1 percent for the first half of 1984, Maxwell now expects 1984 to shake out with a one percent drop. "It all depends on generics," Maxwell says, "and whether they can pull people back in the market."

Maxwell's long-term gloom regarding the industry's outlook is influenced by both federal and state excise taxes as well as by increasingly outspoken anti-smoking pressures. "There are about 70 mil-

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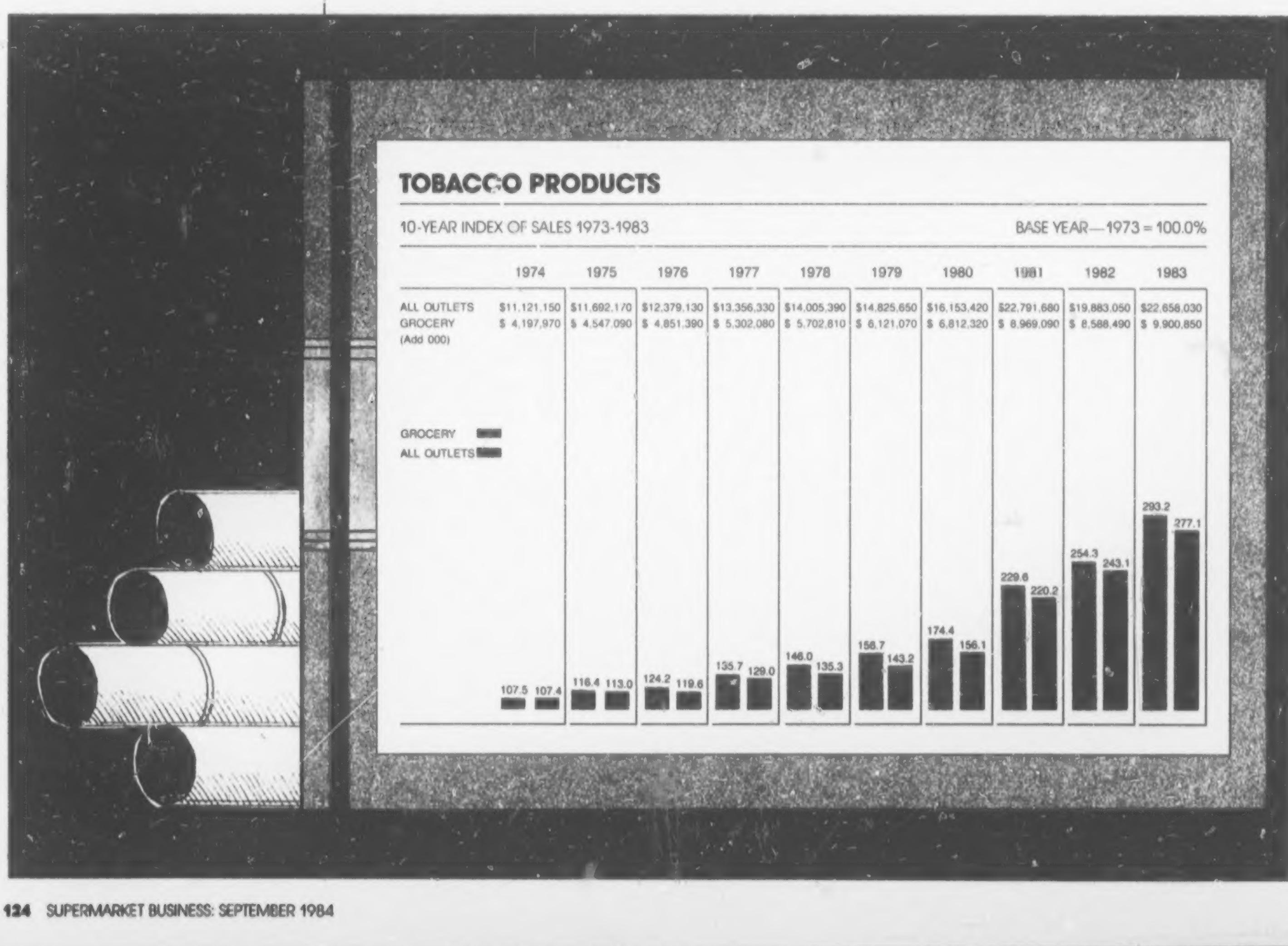

TOBACCO PRODUCTS

10-YEAR INDEX OF SALES 1973-1983 BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$11,121,150	$11,692,170	$12,379,130	$13,356,330	$14,005,390	$14,825,650	$16,153,420	$22,791,680	$19,883,050	$22,658,030
GROCERY (Add 000)	$ 4,197,970	$ 4,547,090	$ 4,851,390	$ 5,302,080	$ 5,702,810	$ 6,121,070	$ 6,812,320	$ 8,969,090	$ 8,588,490	$ 9,900,850

DRAWING BY ROBERT STRIMBAN

One future trend in cigarette marketing may lie in the premium pricing arena.

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lion smokers," he says. "If each one gives up *one* cigarette a day because of restrictions on smoking in a restaurant or in a place of work—well, it adds up."

Maxwell is among those who see experimentation with price stratification as more than a mere flash in the ashtray, and predicts that the future may bring premium pricing in addition to the current variations of discount pricing.

Martin L. Orlowsky, senior vice president, marketing, for R.J. Reynolds, points out that the seemingly revolutionary concept of multiple pricing for cigarettes is commonplace in other countries. "In Europe," he says, "in addition to multiple pricing, you find different counts to the pack—18, 22 or 25, for example."

"In every other product category in the supermarket," Orlowsky continues, "there is multiple pricing. The fact that cigarettes had a more uniform pricing structure for many years doesn't mean it should *always* be that way if the consumer demonstrates interest that goes beyond it. This is just a new marketing fact of life."

It's still too early to say whether price stratification is here to stay, according to Orlowsky. "Ultimately the smoker will influence what the outcome of these pricing changes will be. A manufacturer can offer different price points, but the deciding factor is whether the smoker will accept them."

Fire at the Checkout

Before the smoker has the opportunity to cast a vote, the tobacco companies may have to do some more electioneering among retailers, some of whom were quite happy with a system where all brand prices were created equal, thank you.

"It was a blow to us when RJR brought out Doral to sell for the same price as generics," says Jack Gettinger, who buys cigarettes for the 76 supermarkets of Marsh Supermarkets (Yorktown, Ind.). "It looks like any other brand label and is confusing to our cashiers."

"Doral is a branded item," says Frank Sisson, of the Midwestern Division of Allied Supermarkets, Inc., Oklahoma City, "and all the branded (cigarette) items in our stores retail at the same price. I don't want it in my stores because I don't want to confuse the checkers with the retail price structure on it." Sisson says his generic cigarettes are doing really well, showing "a good increase compared to a year ago."

Harold Simpson, manager of Hamilton Harris & Co., a tobacco distributor based in Richmond, Ind., believes that while brands coming through with different prices will cause "a major problem" for checkout clerks, "the supermarkets will have to change their operations to carry them." "Dorals are selling," Simpson reports, "because they really offer consumers some value."

At American Community Stores Corp. (Omaha), Nancy Gillespie says the checkers in the company's 38 Hinky Dinky stores shouldn't have any problem checking out cigarettes at the right price. Prices are listed at the checkstand for checker lookup. "Our checkers don't have any problem looking up dozens of produce prices," Gillespie reasons.

At Smith's Management (Salt Lake City) Jay Arben, who's responsible for buying cigarettes for the company's 46 supermarkets, reports that there have been no problems with Dorals even in his nonscanning stores. "Doral will open up the tobacco market," Arben asserts. "It's been a closed market too long. We look forward to more competitive pricing. Everything else in the supermarket sells at different prices. It's time that tobacco did, too."

The new Dorals have been available nationally only since July. RJR's Orlowsky says that the new pricing structure "has been accepted by the trade and by retailers in a very positive manner," with no substantial negative reaction.

To accommodate Doral, Maxwell has changed the generics category in his product movement reports to read "generic/discount brands." No one seems quite sure, however, whether branded discount cigarettes are chasing the same market as generics or tapping a new one.

Orlowsky describes the target for Doral as "price-sensitive smokers, a group with a concern about the everyday price of cigarettes that's been on the increase since the rise in federal excise taxes at the beginning of 1983." Doral's lower price, according to Orlowsky, is facilitated not by a lowering of quality but rather by a restraint in "marketing support."

Hoping for giant Strides

The question of whether or not Dorals are chasing generics smokers is also of some interest at Liggett & Myers, the progenitor of generic cigarettes (although lately challenged by Brown & Williamson, as we'll see later on). "It's too early to be 100 percent sure who Doral's target audience will be," says Harold Grant, Liggett's vice president, marketing, "but I think they'll take from the branded end more than from the generic end."

Grant says generics are "doing very well," and discounts reports about declines, attributing them to glitches in shipment figures resulting from the brands and generics taking price increases at different times. (Maxwell gives generics a substantial four to four-and-one-half percent share.)

With every quarter bringing an increase in generics' market share, Grant predicts continued expansion at least through 1985. At the same time Grant welcomes the advent of branded competition at different prices. "Now that prices are breaking," he says, "it won't be as difficult for different prices to be established."

To wit, Liggett is trying to establish a new price level for branded cigarettes with its testing of Stride, currently in progress at Rochester and Syracuse, N.Y., and Omaha, Neb. Stride is priced 10 cents a pack and $1 a carton below other brands. Essaying what he calls a "mid-priced concept," Grant is going after price-oriented consumers but trying not to draw them from the generics smokers Liggett already sells to. "There's another pocket of consumers that won't go down to black-and-whites, so we supply them with first-class packaging—the imagery—but they still get to save."

Stride's advertising slogan—"Where Taste Runs Rich"—plays off its logo of a trotter and buggy.

Packing a twenty-five

The term "value added" came to the cigarette world last year when RJR introduced Cen-

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Retailer enthusiasm for 25-packs is often muted because of difficulties in physically handling them.

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tury, a 25-pack cigarette sold at the regular price. While idiosyncracies in local stamping and tax laws at first impeded Century's spread, as of this month it will be available to 89 percent of the U.S. population.

RJR's Orlowsky draws a rigid boundary line between Century, which he calls a value-added brand, and discount brands like Doral. While Century's target smokers are value-oriented, and have given the brand a generous one percent market share where it's available, Orlowsky says it's too early to tell just how different Doral smokers will be from Century smokers.

Espousing the same concept as Century, Brown and Williamson's Richlands have been somewhat slower, by design, off the new product launching pad. "We believe Richland has great possibilities," says Mark Ahearn, a spokesperson for B&W, "but we're taking it carefully. We initially rolled out in nine states and we're adding a tenth test area. We're still looking at this segment. We recommend a retail price equal to a branded 20-pack."

Enthusiasm for 25-packs is sometimes more muted among chain buyers because of difficulties in physically handling them. Allied's Sisson notes that this packing variation requires a different piece of equipment for state tax stamps. Dealing with stores in three states, he finds it's simpler not to warehouse 25's, but to let distributors bring them in instead.

Richard Petrone of Almacs, a 41-store chain based in East Providence, R.I., calls 25's "very confusing, completely unnecessary."

Philip Morris is taking the 25-pack concept and adding something of its own—a price premium. With 25 percent more product than conventional branded packings, Marlboro Red and Marlboro Lights (being tested in Spokane and Indianapolis) will command a 25 percent higher price.

"These are targeted for smokers who are looking for a more convenient pack with more product in it," Tom Keim, a spokesperson for Philip Morris, stresses. "This is not a 'value' proposition." Keim says that research among Marlboro smokers indicates that many smoke 25 cigarettes a day and would be expected to buy a pack that more closely approximated their consumption.

Keim stresses that the Marlboro 25's are still in test at this point. "We don't know where price stratification will go. That's why this is being tested."

Jack Gettinger of Marsh describes the new Marlboro packings, which are being offered in his area, as "an inconvenience for us to handle. We have not purchased them. It doesn't offer any savings to the consumer. It's just another way of getting people to smoke more."

In the same market, Harold Simpson of Hamilton Harris & Co. reports that some supermarkets have opted to sell the Marlboro 25's only by the carton, as the carton price is the same (having eight packs) as cartons of conventional 20's.

Philip Morris's Keim says simply, "There's always *some* resistance to price changes or new configurations in packaging. Our field sales group has the responsibility of helping them out at the retail level."

The extensions are busy

While brands that are defining new price stratification niches have the highest noise level these days, new brands, brand relaunchings and brand extensions also set off competitive crossfire.

At Lorillard, a division of Loews Theatres, Inc., Richard H. Orcutt, senior vice president, sales, reports that the company's successful Newport brand, which countered a soft market during the first six months of 1984 by registering a four percent increase in sales, is getting a chance to become even more successful with the introduction of two extensions—Newport Box 100s and Newport Lights Box 100s.

Orcutt explains that the extensions have been planned to capitalize on the fact that 100s are the fastest-growing cigarette segment, and boxes are the fastest-growing packaging segment. The company is also offering Kent III in a 100-box extension starting this month.

In July, The American Tobacco Company went national with its extensions Lucky Strike Lights and Lucky Strike Lights 100s. The company has also been nurturing Carlton Slim Deluxe 100s through test markets and will go national with it in October. "This is a luxury cigarette with deluxe packaging for the woman smoker," says William J. Moore, vice president, advertising.

To help influence that woman smoker, the company is offering to purchasers of cartons of Carlton a free copy of an Avon "romance" book, *When Love Commands* by Jennifer Wilde. A carton end and one dollar for handling brings "Love."

Dan Conforti, a spokesperson for American Tobacco, says, "While we're concentrating on extensions of our existing brands, Carlton and Lucky Strike, we are watching generics and 25-packs to see the reaction (1) from the consumers, and (2) from the retailer. The generics appear to have bottomed out at just over four percent and we're going to concentrate on our own brands for the time being."

Under new sails

Something more than an extension, and something less than an introduction, is the "relaunch." This is, in effect, a major effort to stress some major new aspect of an existing brand. Lorillard's current relaunches are True and Satin.

According to Lorillard's Orcutt, True is being backed by the equivalent of "major launch expenditures" to communicate the news of the laser-cut filter which, Orcutt says, gives this ultra low tar "better taste characteristics with more even filtration." The advertising and package both show a cutaway illustration of how the filter is constructed.

Last year's introduction of Satin won a substantial amount of initial trial through such merchandising gambits as free satin pouches, but then faltered. "We found that we should have had a more elegant packaging presentation," says Lorillard's Orcutt. Backed by substantial advertising, Satin was swathed in more appropriately elegant trappings as of last April.

With both Carlton and Satin staking out the female-luxury market, other brands in the expanding luxury segment are genderless in their appeal to probable fans of "Lifestyles of the Rich and Famous." Players, the Philip Morris entry that was the first to identify and

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SNACKS

Snacks soared, and they weren't a chip off the old chip. New products—especially Mexican—spurred on terrific sales.

If it's nacho-flavored or Mexican-sounding, it sells. Unless it's in the Southwest, where Mexican is old hat and snack buyers are gobbling up the sweets.

Snack food sales hover around the $6 billion mark annually, according to latest Consumer Expenditures Study figures, and industry researchers indicate that 75 percent of that revenue comes from supermarket sales. Snacks can be a high-profit item both for supers as well as manufacturers, which may be why, according to Marketing Intelligence Service, Ltd., a research firm based in Naples, New York, there were more than 344 new snack products introduced on store shelves during 1983. That compares to 241 new products for the previous year, or a 43 percent increase.

Among the new products were such items as Reisman Whole Grain Wheat Stix, Vege-Soy Chips, Amsnack Rice Chips, Health Valley Carrot Chips and Bob's Original Turkey Jerky. If those names have a different ring to them, it's because the snack industry, at least among the smaller, regional manufacturers, are jumping on the natural foods band wagon.

Most snack items are produced by small, regional companies, some 250 of them scattered around the country. And if research by the Consumer Network, a Philadelphia-based consulting company specializing in attitude and satisfaction research, is accurate, the smaller companies may be more closely in tune with consumer demand than the larger manufacturers. On the basis of a questionnaire answered by 645 panelists ranging in age from 16 to 85, Consumer Network reports that snack-eating consumers want flavor accompanied by less salt, fat and sugar. They also want better packaging. The survey also indicates that while the major snack brands are perceived as high-quality items, the younger consumers are not nearly as sold on that quality as their parents and grandparents. Consumers in general complain that the nutrition profiles of traditional salty snacks are out of synch with today's buying trends.

Snack buyers from supermarket chains around the country only partially confirm this consumer perception.

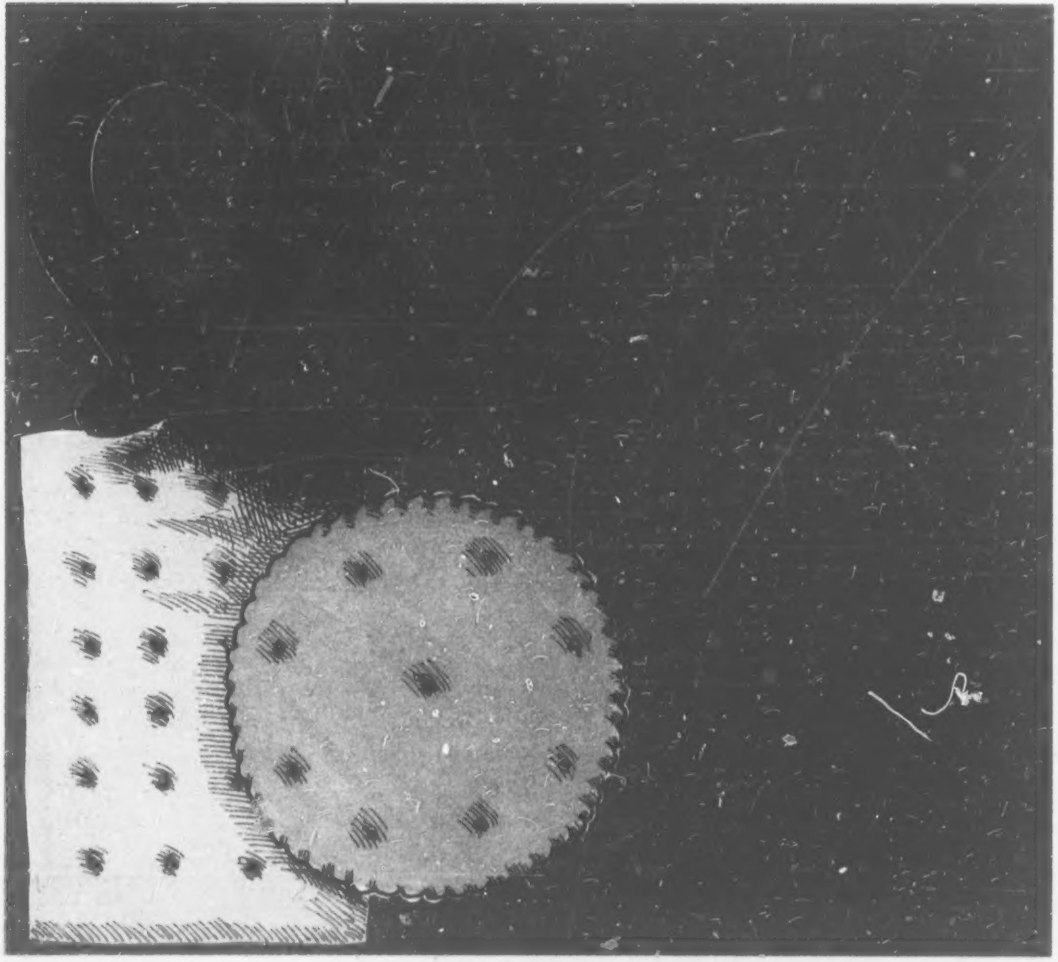
Ken Johnson, head grocery buyer for Hannaford Bros. Co. (Scarborough, Maine), acknowledges that shoppers at his company's 73 stores in northern New England are looking for "healthier" snacks but the old favorites in the chips category are holding their own. Doritos remains the number one seller for Frito-Lay, and private label potato chips are also popular. Unsalted potato chips have shown an increase in sales, according to Johnson. The major trend, however, is towards Mexican flavors, which are extremely popular.

Hannaford shoppers are also fickle when it comes to snacks, according to Johnson. "People are not brand loyal when it comes to snacks. There's a tremendous amount of promotion of products on the part of manufacturers and what's advertised, or on display, is what sells," he says.

Johnson would like to expand the snack category in his stores but can't. "Snacks are a very profitable category," he says, "but shelf space is restricted because we have to sell other things as well."

"Nacho flavor is taking off," says Diane Gadd, buyer for Red Owl Stores, Inc. (Hopkins, Minn.). "Anything that has anything to do with Mexican is a top seller," she adds. Consumers in Red Owl's 75 stores are also doing their part to keep potato chips in the front-runner position among all snacks. Gadd reports that rippled chips have for the first time outsold the plain variety and that cheese-flavored potato chips are also popular items. Red Owl has increased shelf space only for private label items. Overall, generic snack items are doing well.

Potato chips account for about 40 percent of all snack items and are bought by eight



DRAWING BY ROBERT STRIMBAN

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DAIRY

Still ahead of the herd in dairy was yogurt; natural cheeses try to hold their own against imitations.

People may not be drinking more milk but the milk they drink is more likely to be low-fat. Yogurt is what consumers are buying, the hot item across the country, with supers scrambling to find shelf space to accommodate new products. While shoppers indicate a growing interest in natural products, particularly cheeses, the dairy industry remains concerned about imitations.

"There must be something going on out there. I can tell by the number of yogurt calls we get from consumers," said a spokesperson for the American Dairy Association. What's going on is that yogurt sales continue to rise, with new regional and local entries to the field appearing almost monthly.

Bob Bowman, dairy buyer for Shaw's Supermarkets, which operates 41 stores in Maine, Massachusetts and New Hampshire, reports that yogurt sales are still increasing after many had predicted the demand would level off. "We don't have enough space for them, although we have increased our capacity somewhat by adding free standing eight-foot cases." Within the yogurt category, it's the low-calorie that shows the most increase.

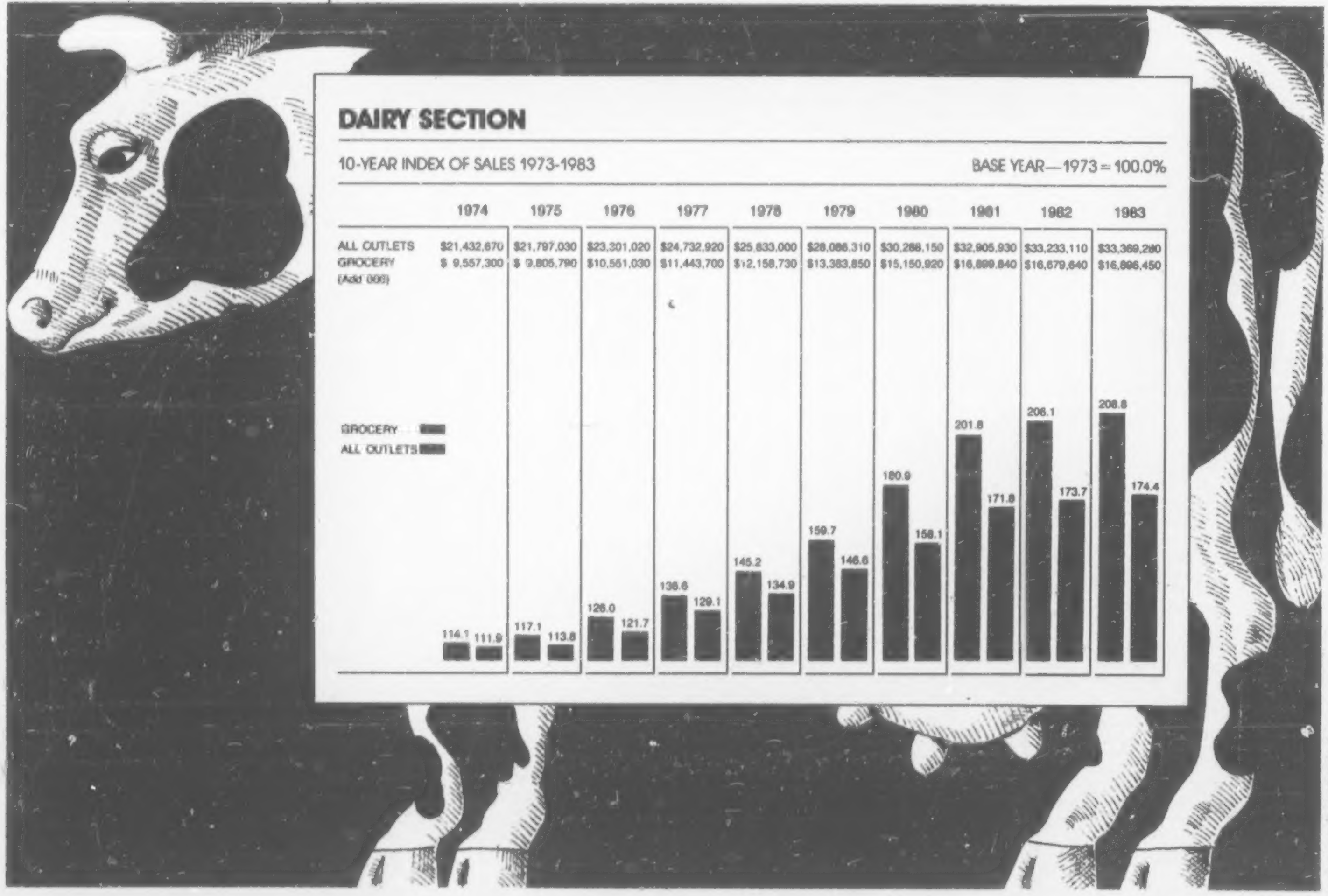
"Yogurts are taking off, in all sizes," says Dennis Ferguson, buyer/merchandiser for Raley's, the 40-unit chain with headquarters in Sacramento, California. Because of the demand in his stores for yogurt in all flavors and sizes (from 6 oz. to 32 oz.), Fergurson says Raley's has just introduced a private label, four-culture yogurt (most are two-culture) called Captain Carrot, which is also selling well.

A spokesperson for Dannon, the New York City-based industry leader, confirms the growth in yogurt sales. Dannon, with a 25 percent market share, reports unit volume up by 10 percent in 1983 and expects that growth to continue. Supermarket sales topped $700 million for all yogurts in 1983 and Dannon maintains a healthy concern for the opposition. "You don't get rich by underestimating the opposition," said the Dannon executive.

General Mills' Yoplait, with a 12 percent market share, may be Dannon's closest competitor nationally but, due to the large number of local or regional brands that have been introduced in the last year or so, consumer choice varies considerably. Stan Esson, grocery buyer for Red Owl Stores (Hopkins, Minn.), cites Kraft yogurts as some of the favorites in the chain's 75 stores in the northern Midwest.

A dairy buyer at A&P's Montvale, N.J., office confirms that in his company's 1,111 stores shoppers are buying many brands rather than just one or two. "There seems to be a trend towards the six-ounce cup, but all the brands and all the flavors seem to be doing well," he said. Breyers, Kraft's

Continued on page 140



	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$21,432,670	$21,797,030	$23,301,020	$24,732,920	$25,833,000	$28,086,310	$30,288,150	$32,905,930	$33,233,110	$33,369,280
GROCERY (Add 000)	$ 9,557,300	$ 9,805,790	$10,551,030	$11,443,700	$12,158,730	$13,383,850	$15,150,920	$16,899,840	$16,679,640	$16,896,450

DRAWING BY ROBERT STRIMBAN

DIET FOODS

Diet foods are throwing their weight around the supermarket, but shedding some of the "diet" name in favor of snazzier packaging and a more "healthful" approach.

Lean and natural seem to be the choices of weight-conscious consumers as manufacturers of dietetic products struggle to shed old images and catch up with the national interest in healthy eating instead of dieting. Meanwhile, new product manufacturers are quick to avoid the dietetic label.

Supermarket representatives report that sales of what can be categorized broadly as diet foods vary greatly with the category of product. "The entree category is definitely growing," says Peter van Vlerken, grocery merchandiser for Bi-Lo, Inc. (Mauldin, S.C.), "We've increased shelf space for frozen dinners because they're doing so well and we've added some low-salt, low-calorie canned products."

While shoppers in Bi-Lo's 130 stores in the Southeast are buying frozen dinners, many of the canned items are very slow moving, according to Vlerken. "We will carry products even if they are slow moving, only because we feel we have to offer the specialized products to our customers," he says. Many of the slowest-moving items are the traditional, dietetic canned products which, according to Vlerken and other market buyers, continue to lose ground to new lines of no-salt, no-sugar added fruits and vegetables. There have been some good sales of diet butter/margarine products in Bi-Lo stores.

Consumer buying at Bi-Lo stores is similar to that in other parts of the country. Supers report that weight-conscious shoppers are shunning the dietetic products in favor of those that, while aimed at the diet market, are also being marketed to the growing numbers of health-conscious shoppers. That marketing effort has been successful.

Bob Kiesl, grocery buyer for Kohl's Food Stores (Milwaukee, Wis.): "Frozen entrees are hot; the canned goods are doing nothing."

Johnny McDade, grocery buyer for Piggly Wiggly Southern, Inc., (Vidalia, Ga.): "The buying trend in canned diet items is towards the natural, the low-salt and low-sugar. The diet category as a whole is holding its own but the real seller is frozen dinners. Stouffer's Lean Cuisine is the hottest thing to come down the road in a long time."

Virtually every buyer contacted confirmed McDade's opinion: Stouffer's has captured, at least for now, the diet entree market with its Lean Cuisine line. Significantly, many of the buyers of the 13 entrees created by Stouffer's are not dieters, and the line was marketed specifically to attract a larger segment of the population.

"Lean Cuisine was not designed as a diet food," said a company spokesperson at Stouffer's. "We wanted a line that would be appropriate for everyone, that would neither limit the market to weight watchers or make those people

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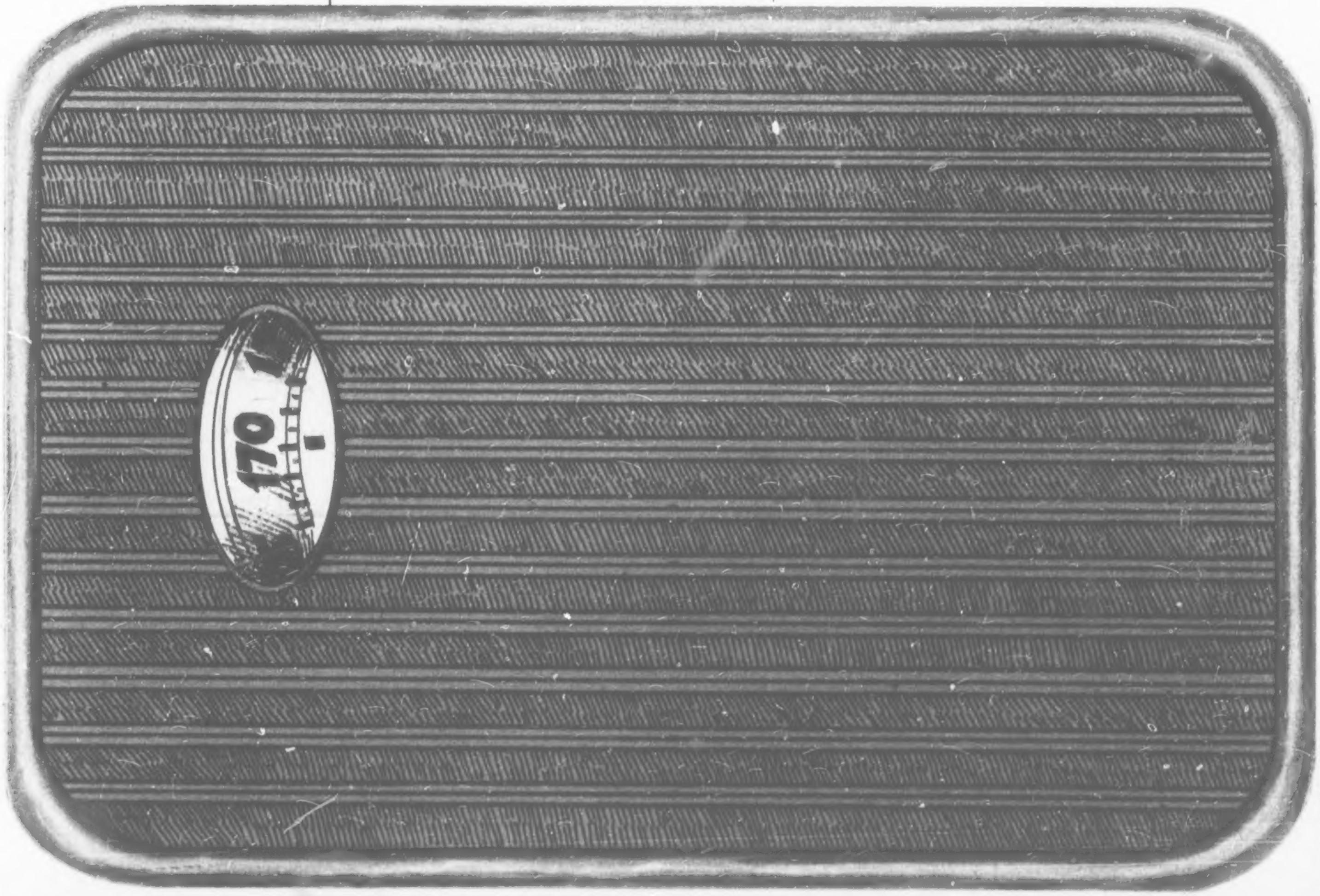

DRAWING BY ROBERT STIMBAN

Despite the ravages of last winter, sales of chilled juices have continued strong.

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Light n' Lively, and new products from the New Jersey-based Johanna Farms, are particularly good sellers.

Reasons for the popularity of yogurt seem to be varied. There is, of course, the spin-off effect from the nation's current trend towards physical fitness. Many buyers perceive yogurt to be healthful food. Convenience, however, may be just as important. Dannon attributes much of the item's success to the fact that it is ready to eat, requires no preparation and can be purchased in meal-sized containers.

Another factor in yogurt's favor, in the opinion of many store buyers, is the changing lifestyle of the American family. More single-parent households, more two-wage earner families and busier schedules for adults and teenagers have contributed to a growing demand for easily prepared, wholesome products.

Finally, booming sales of yogurt can, at least partially, be attributed to the fact that many consumers are just discovering it. "Yogurt continues to grow in popularity because people are just beginning to be aware of it," says Esson, of Red Owl. Yogurt has gone from a specialty item to what many families now consider a regular part of their diet. What was initially the smallest segment of the dairy industry could, according to industry predictions, become a $7 billion commodity by the end of this decade.

Yogurt's popularity has put a strain on supermarkets to find space to display the product. With some chains reporting as much as 15 percent increases in sales, generated partly by heavy manufacturers' promotions, many stores are unable to increase shelf space without remodelling the store itself. Raley's has been able to increase its capacity by some 15 percent, according to Ferguson, but others are not so lucky. An A&P spokesperson reports that the dairy departments in most of its stores are not big enough. "Because of physical restraints and the size of the store, we cannot increase dairy space without redesigning the store," he said. A&P does have plans for some new display designs for dairy products, but they have not been introduced yet.

While yogurts were making headlines, other categories of dairy products also have been doing well. Overall milk consumption, according to most dairy buyers across the country, is holding its own, without showing any dramatic increases. Low-fat milk, however, has taken a larger percentage of total milk consumption, according to the American Dairy Association, as consumers perceive less milk fat to be healthier. Per capita consumption of milk fat has dropped almost 20 percent since 1960, but, surprisingly, consumption of vegetable fat has increased by 66 percent in the same time.

To further confuse the question of whether consumers are buying with health and nutrition in mind, Dennis Ferguson of Raley's reports that sales in chocolate milk are "fantastic, since Hershey's and Nestle's entered the market with excellent packaging."

Despite a severe winter that led to a short crop and higher prices, supers across the country report strong sales in chilled juices. "Juices are booming," says Bob Bowman, of Shaw's. Ferguson says orange juice sales have increased, and a spokesperson for Big Bear Stores, with 58 stores in Ohio and West Virginia, reports that the chilled juice category is second only to yogurts among dairy products.

Much of the interest in juices has been generated by the competition created when Procter and Gamble entered the market with the Citrus Hill brand, according to the American Dairy Association. P&G's major promotion campaign for Citrus Hill has prompted other manufacturers to match that effort.

Another area of growth and change in recent months has been cheeses, particularly natural cheeses. While it is difficult to discern strong national trends, due to the very regional nature of both cheese production and consumption, most supermarket buyers indicate that consumers are not only buying more cheeses but they are experimenting with new kinds.

"While still regional, there is definitely a trend towards more sophisticated taste in cheeses," said an ADA spokesperson. "The Mexican food craze has certainly helped and people are buying more specialty cheeses now."

This trend towards more adventurous buying has caused some buyers to change their purchasing patterns. "We used to drop the specialties after Christmas because no one bought them after the holidays," said Bob Bowman of Shaw's. "Now we display them all year long." Bowman reports particularly strong sales in natural cheeses and random weights.

Red Owl shoppers, too, are buying more natural cheeses, according to Esson, while those who frequent Big Bear Stores have discovered shredded cheeses. "Shredded cheeses such as mozzarella and parmesan have shown the biggest jump in sales," said a Big Bear dairy buyer.

Buying trends in the cheese category, while differing regionally, seem to be based on the same premise: the diet of many consumers has diversified to include flavors, tastes and dishes that traditionally were saved for restaurants. A&P, which has installed cheese islands in many of its stores, has seen an overall increase in sales for all types of cheeses and attributes the success to changing lifestyles.

"People are trying new things. Look at the cookbooks today. People are moving around more, trying regional cooking and they experiment at home," said a dairy buyer at A&P.

While consumers seem to be headed for natural products, at least in yogurts and cheeses, the dairy industry continues to be concerned about the 30 percent of dairy products that are not naturally produced by cows. Imitations appear in virtually every category of dairy products and represent a loss to dairy farmers in excess of $1.5 billion.

Although much of the imitation product never reaches the retail level in its singular form (appearing instead in frozen pizzas and entrees), some market buyers report that imitation cheeses sell particularly well. In response to that popularity, the American Dairy Association has, for the last two years,

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SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

AUTOMOTIVE

Supermarkets saw oil and oil additives sales slip a bit last year—but so did the entire industry—thanks to longer service intervals on the increasing number of new cars on the roads. Supers also suffered a slight decline in share of the total antifreeze/coolant market—thanks to heavy promotional activity on the part of (mainly discount) mass merchandisers, and the still-growing number of auto specialty stores. (The latter have increased in number by 33 percent, from 28,600 to 33,000, since 1980.)

The good news is that, in general terms, supers have grossly under-realized the potential for auto supplies sales and the profits they can generate. Good news? Of course: the potential for this category has been virtually untapped until now, and supers have a chance to outpace their competitors and show renewed growth not unlike what they experienced in the several years immediately preceding 1983, when they were significantly stepping up their involvement in selling auto supplies to do-it-yourself types.

That's not to say, however, that supers are going to have an easy job realizing that potential. Quite the contrary: They're really going to have to work at it, say manufacturers and wholesalers.

To be brutally honest, supers' suppliers almost universally indict the trade press (and other suppliers) for the fact that auto supply sales now aren't better than they are through big food stores. "Sales aren't anywhere near as good as the trade press, during the '70s, said they should be by now," says one manufacturer, who notes that the "guilty" publications "still tend to talk more about 'fast sales' than category development for long-term profit." Another supplier declares, "The press too often tries to make it sound simple: 'Stock automotive lines,' they say, 'and you'll profit fast.' It doesn't automatically work that way."

Indeed it doesn't.

Auto supplies are—let's face it—a hard nut to crack for the many who still view supers as an environment that is 1) primarily food-oriented and 2) shopped mainly by women who, they imagine, are totally uninterested in machines that eat oil and other messy, smelly substances. It's *men* who buy auto supplies, and men seldom are more than cherry-picker shoppers in supers—or so it's still widely perceived. Furthermore, according to research done by the WD-40 Company, "to women, the auto supplies section is invisible in supers. We've seen them literally turn their backs on it."

Perhaps it's significant that, to this day, the majority of people overseeing nonfoods in supers are men. And men—even those in this business, it would seem—don't widely view supers as a "logical"

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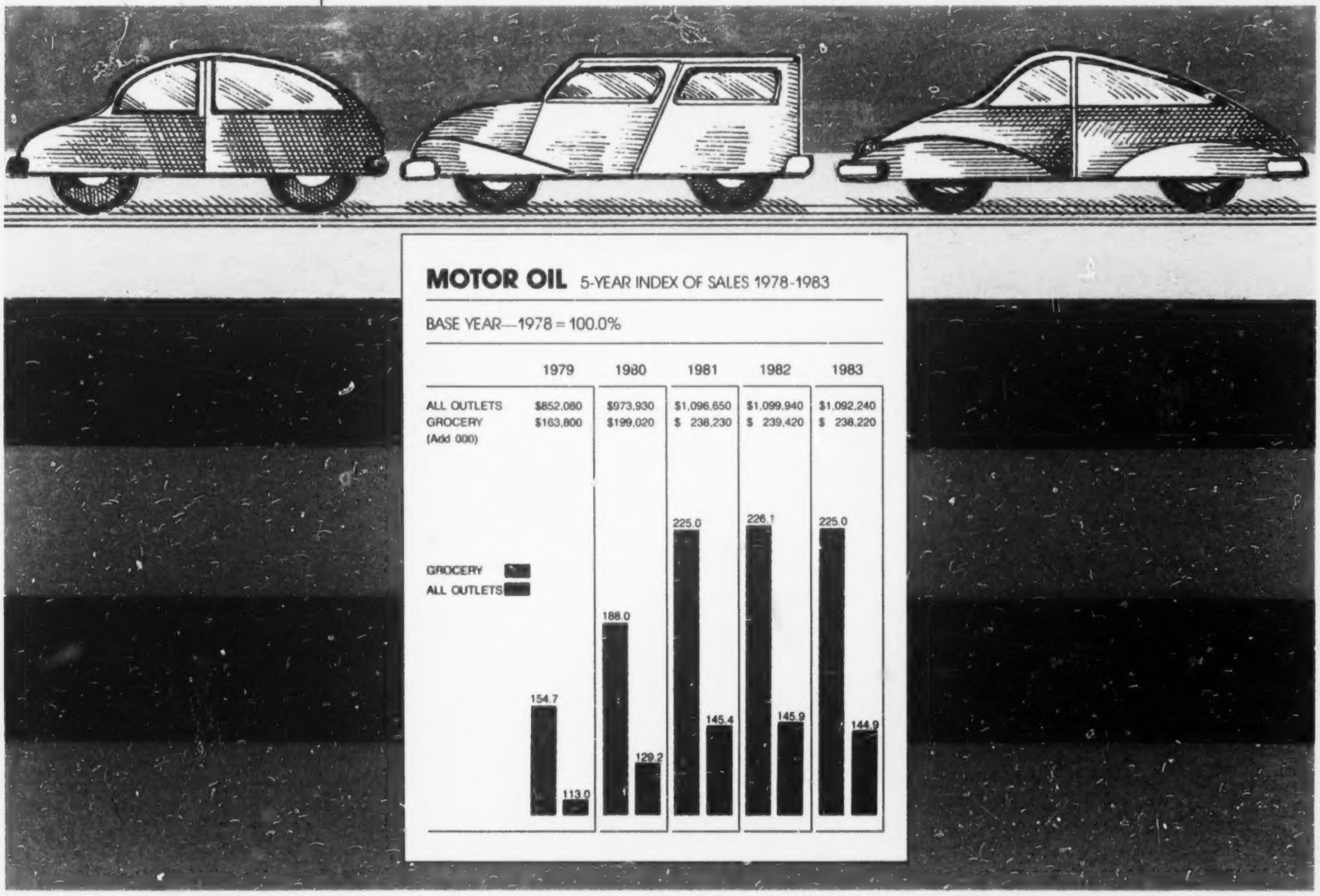

	1979	1980	1981	1982	1983
ALL OUTLETS	$852,080	$973,930	$1,096,650	$1,099,940	$1,092,240
GROCERY (Add 000)	$163,800	$199,020	$ 238,230	$ 239,420	$ 238,220

DRAWING BY ROBERT STRIMBAN

Many retailers find that diet foods come with too-high a price and lack manufacturer support.

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stand out by buying the product."

Lean Cuisine, test marketed in 1981, went national in 1982 and sales, according to the company, have been consistently above projections in all parts of the country. Packaged as an upscale, unique product for the lighter eating lifestyles of the 1980s, Lean Cuisine has taken the market by storm. Stouffer's plans to extend the line with five new entrees that are currently being test marketed on the east coast.

Supermarket chains have responded to Lean Cuisine's popularity by encouraging as many sales as possible. Bi-Lo, for example, supports the product by taking a smaller than usual mark-up, according to Vlerken. Other operators increase shelf space for the Stouffer product by cutting back on other frozens. And there have been imitators, supers report, but none has taken off like Lean Cuisine. "There are a lot of them coming after Stouffer's, but they're just copies," says McDade, of Piggly Wiggly.

Hardest hit by Lean Cuisine's success and what supermarket buyers see as a trend towards healthy products rather than dietetic, have been the older labels of dietetic products. "There has been a reduction in sales for the traditional dietetic canned products in favor of such things as Del Monte's and Libby's no-salt, no-sugar added lines," says Harvey McCoy, buyer for H.E. Butt Grocery Co. (Corpus Christi, Tex.). It is interesting to note that producers of such products as Libby Natural Pack, a new line of canned goods that features no salt or sugar-added ingredients, do not want to be labelled dietetic. "Don't call us diet foods because we're not," said a spokesperson for Libby Natural Pack.

Whatever they want to be called, the new lines of salt- and sugar-free fruits and vegetables have been outselling the older dietetic products and while their success is based on the fact that the general public, rather than just dieters, are buying them, it is also true that serious dieters are perceiving these new, "non-diet" lines as preferable to what has been labelled dietetic, according to supermarket grocery buyers.

Not all manufacturers of the strictly defined dietetic products are unhappy with their sales in recent months. Ronald Gondek, vice president, marketing for Sandoz Nutrition Co., (Minneapolis, Minn.), which in January took over the Featherweight line of diet products says, "Our sales have been exceeding last year's and our projections."

Featherweight was one of the forerunners in dietetic products and now has 180 items in the dry grocery category. These include jellies and preserves, salad dressings, puddings and custards, canned fruits and vegetables, snacks, and canned entrees. The company is currently promoting a number of new, or re-developed products using aspartame, or NutraSweet. These include gelatins, custards and cocoa.

Featherweight products have one or more components that make them dietetic. Some are starch and sugar restricted, some low-calorie, some low and no sodium, and others specially developed for allergy and fiber needs. Many, of course, have a combination of the above.

In addition to promoting its aspartame products, Featherweight is also developing new low-salt, low-calorie products to compete with those already doing well on the market. Included in the new items are a low-salt, low-calorie barbecue sauce and a caesar's dressing.

Despite the growth in sales for natural products and canned goods that are not considered dietetic, Gondek feels there is a growing market for Featherweight, and similar, items. "For those on medically prescribed diets and those consumers who are looking for weight-watching products, there is a strong market for our line," he says.

The Estee Corporation is another major manufacturer of dietetic products that reports strong sales. "We're coming off one of our best years, and 1984 looks just as good," says John Beers, executive vice president of the company, which markets a variety of products under the Estee and Dia-Mel labels. Beers points out, and most supermarket buyers would agree, that the total diet foods market is not declining, there have only been market share shifts. He suggests that the retailers who see dietetic products losing ground are those who have not decided to market the products aggressively.

One company that is taking an aggressive stance towards marketing is NutraSweet, a division of J.D. Searle, Chicago. NutraSweet has just launched a major consumer awareness campaign designed to help shoppers identify products sweetened completely by its product.

"Some 50 products, which appear in 15 different supermarket sections, are 100 percent sweetened by NutraSweet," says Timothy Healy, vice president, marketing for the company. "Our initiative is designed to answer the questions of just what 100 percent NutraSweet sweetened means, what products fall in this category and how can I find them."

The NutraSweet campaign includes national advertising, which was launched at the 1984 Emmy Awards television show, and the creation of a new symbol, a red and white swirl pattern that reads "NutraSweet Brand Sweetener," which will appear on all qualifying products. In addition, there will be a national coupon distribution program that allows consumers to collect 30¢ off any product sweetened by NutraSweet.

Among NutraSweetened products are Kool-Aid, Wyler's fruit drinks, Equal (a table-top sweetener), milk modifiers, some puddings and jellos, and many soft drinks.

Diet drinks continue to be an area of strong sales in the diet foods category. Diet Coke is the second best selling item in south Texas, according to McCoy, of H.E. Butt. Shoppers in Piggly Wiggly stores in the southeast are also buying more diet drinks. In California, some super chains, such as Hughes Markets in Los Angeles, have increased shelf space for dietetic drinks.

If the diet food market is holding its own, and many chains report that sales in this category match an overall increase in supermarket revenues, there does not seem to be much increase in percentage of sales. "We've seen about a 15

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place to buy auto supplies. Perhaps those supers people approach this section with something of a negative attitude.

It's unjustified: The increasing number of two-worker families and the incidences of married men who did their own shopping prior to marriage (see "Men Influence Shopping," SB, March 1984, p. 11) is bringing us to the point where, by 1990, an estimated 40 percent of grocery shoppers will be male (see "Growing Number of Men Grocery Shopping," SB, July 1984, p. 9). And, it's said by many suppliers that even men who don't themselves do the shopping "seem to be taking a more active role in the selection of supermarket products."

To sell through to those "influential" individuals, and to actual store visitors, supers need to do several things: They must 1) carefully evaluate their space allocations for the auto supplies section; 2) decide how that space will be subdivided to accommodate planned- and impulse-buy products; 3) determine whether, on an across-the-board or store-by-store basis, merchandising should be oriented toward men, or toward women and children (yes, children!), and 4, 5 and 6) advertise, Advertise, ADVERTISE.

On the subject of how much space the section should have, suppliers agree that it will vary from one size store to another. Beyond that, there are often great differences of opinion. "A four-foot section is better than nothing if it is properly stocked and merchandised," says Bob Kramer, president and owner of United Marketing, a Marion, Ind.-based jobber. Others say that, even in a small store, if you cannot allocate more than four feet don't bother to give this category any room.

Super Valu's J.M. Jones Co. (Champaign, Ill.) says its retailer customers "give auto supplies an average of 12 feet—which often isn't enough." Adds Jerry Friedler, vice president, general merchandise at Certified Grocers of California (Los Angeles), "I don't like to see anyone messing with a 20-foot section. Once you get above 12 to 16 feet, there's no use expanding unless you're going to 36 feet." He's not recommending a *minimum* of 12–16 feet—but he is saying that, proportionately, once one starts adding much beyond the category's mainstays, its oils and oil additives, "sufficient space must be allowed for chemicals and accessories to be acknowledged as more than an afterthought."

Even in the smallest auto supplies section, the oils you stock and how they are priced can be important, says a spokesperson for Quaker State. He notes that 65 percent of all oil sales now are for off-site consumption—i.e. not to garages—and that roughly 80 percent of those sales go to two types of buyers: "Either they buy what's cheapest, or they buy what's cheapest among

Continued on page 163

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SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

VITAMINS

Many consumers fortified themselves on vitamins bought from food stores—the category as a whole is growing, a good dose of that coming from supers.

Last year, our much-touted interest in healthy living combined with changing demographic patterns and shopping habits to give the vitamins category an overall boost in supermarket sales. Retailers and manufacturers alike, recognizing the benefits of promoting and selling vitamins to the supermarket shopper, increased their efforts—and reaped additional sales.

Although there is no clear-cut agreement among industry groups as to exact figures, there is a general consensus that at least 40 percent of the population currently takes vitamins (or minerals or other nutritional supplements, such as protein). And there are indications that this figure will gradually increase in upcoming years.

A recent report by SRI International (Menlo Park, Calif.) placed current vitamin users at about 51 percent of the adult population (37 percent regular users; 14 percent occasional), and predicts that this base will, given the continuation of current demographic trends and the absence of any restrictive legislation, increase to 60 percent by 1990, when 108 million Americans will take vitamins.

Why this increase? Retailers and industry observers cite a greater interest in living longer, healthier lives (evidenced by the enthusiasm for jogging and the rise of health clubs, for instance), increased medical costs and an interest in preventive health and, paradoxically, an increased dependence on fast, convenient foods, which often lack full nutritional benefits.

The predicted growth in vitamin consumption becomes a still greater boon for supermarket retailers when other trends are taken into account. The increased emphasis on convenience and one-stop shopping means that more and more Americans are buying their vitamins in the supermarket rather than through other outlets. While industry data for 1983 credit supermarkets with about 15–16 percent of annual vitamin sales dollars, SRI International estimates that by 1990, their share will have climbed to a full 24 percent, representing $790 million of manufacturers' sales.

And the researchers' predictions are borne out by these manufacturers' sales. Art Salerno, vice president of sales and marketing for the William Thompson Co. explains: "Our business is increasing in the supermarket area—approaching about 30 percent in 1984, which represents a 50–60 percent increase over 1983." Echoes a spokesperson for Lederle Laboratories, "the growth [of vitamin sales] in supermarkets is outpacing the growth of the overall market."

This is not to say that vitamins are new to supermarkets, which have been selling them for as long as vitamin and HBA buyers can remember. In recent years, however, both

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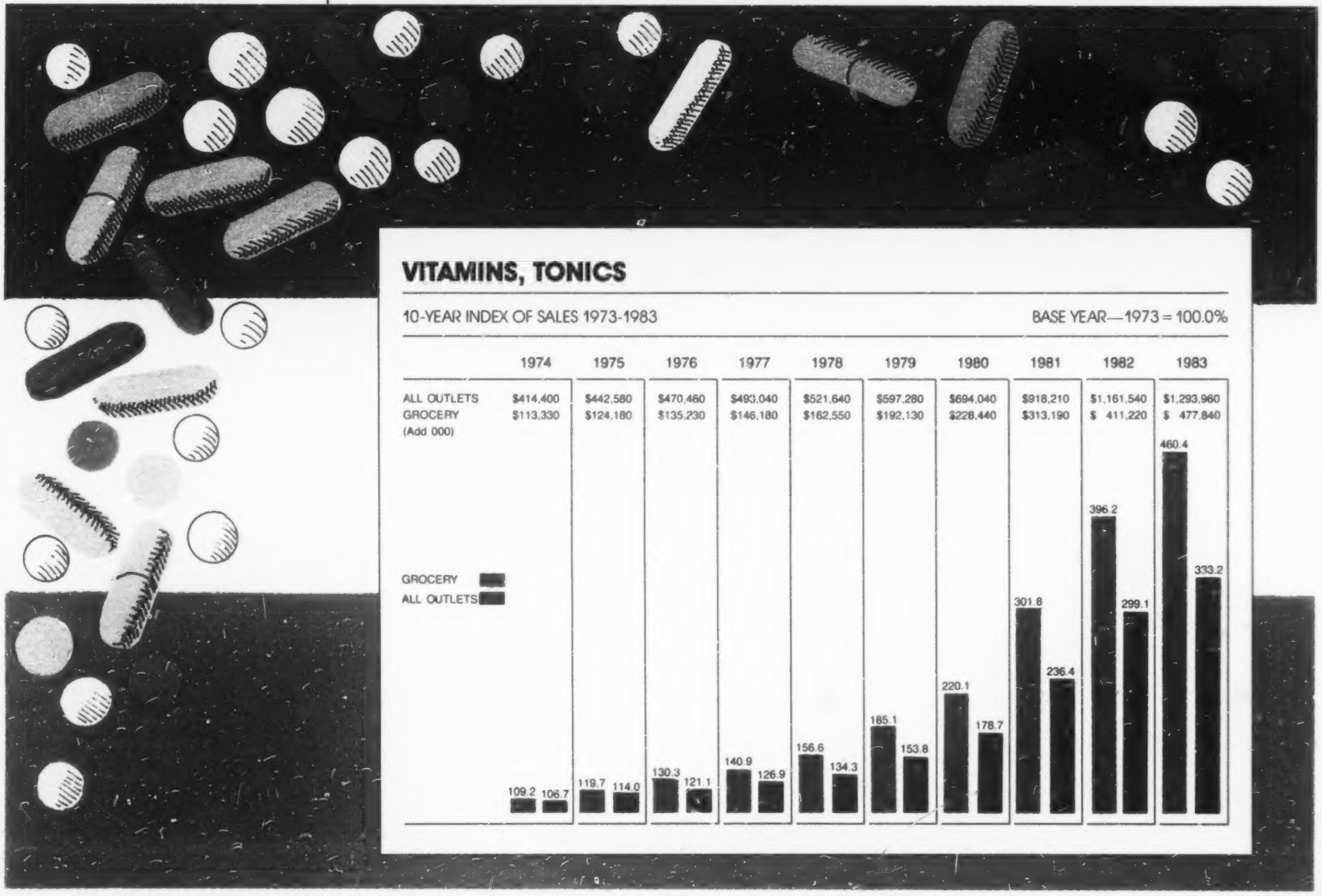

VITAMINS, TONICS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$414,400	$442,580	$470,460	$493,040	$521,640	$597,280	$694,040	$918,210	$1,161,540	$1,293,960
GROCERY (Add 000)	$113,330	$124,180	$135,230	$146,180	$162,550	$192,130	$228,440	$313,190	$ 411,220	$ 477,840

DRAWING BY ROBERT STRIMBAN

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the extent of their line and their sales have, in many cases, witnessed growth. Today, both synthetic and natural vitamins often have their place in the supermarket, and can be found anywhere from the HBA aisle to the pharmacy to the natural foods center.

In these varied locations, retailers stock not only national brands, but also offer their own private label, which offers consumers a saving of at least 10 percent over the national brands. This 10 percent saving is, however, the minimum, which can rise up to 20, 25—and even 50 percent, says Tom Thumb (Dallas, Tex.) vitamins buyer Jim Kyle. Paradoxically, it is the lack of advertising, which is so important in stimulating overall vitamin sales, which allows the significantly lower price for private label vitamins—and has placed them on many retailers' best sellers lists.

Near the head of the best sellers lists, retailers say, are the multivitamins, such as Theragran M and One-a-Day, as well as vitamin C and the B vitamins, especially as B-complex and in stress formulas. This year's single hottest item, however, is calcium, included in such new products as Oscal, Caltrate 600 and Thompson's Calcium, Magnesium and Zinc. Sales of calcium were spurred on by media reports of calcium deficiency and resulting osteoporosis, which primarily targeted women, a group generally more nutrition-conscious than men. In addition, as Tom Thumb's Kyle puts it: "Vitamins have a tendency to respond quite well to articles that some doctor might write."

Another successful example of vitamin targeting is Thompson's Healthplan. These multivitamins, which are priced a little lower than if the vitamins were purchased separately and which eliminate the need for users to determine for themselves which vitamins they should be taking and in which amounts, "serve as a bridge—especially in the supermarket—to bring shoppers to vitamins," according to Thompson's Salerno.

The concept of the bridge, of making vitamin decisions easy for supermarket shoppers is crucial to understanding and maximizing supermarket vitamin sales. Although the vitamin-users base has broadened in recent years, accompanying the health trend, mainstream vitamin takers are not generally interested in the more "esoteric" kinds of products. Nor are they necessarily interested in knowing exactly what they should be taking and why. Hence the healthy sales of "good-for-all" multivitamins, which, according to SRI International's report, account for about 40 percent of total vitamin sales. Hence, too, what one retailer termed the "surprising" growth of the tar-

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SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

HEALTH & BEAUTY AIDS

HBA had a healthy year, with "mousse" aiding hair and cosmetics spurring skin goods.

It has been a very healthy year for health & beauty aids, with continued growth in selected areas expected for the coming year as well.

Perhaps the fastest-growing product group has been hair care needs. Nearly dormant for the past few years, the market was jolted this year by the passel of mousse products introduced in the wake of L'Oreal's Free Hold. These foam-form hair fixatives are "not as faddish as was first thought," says Clairol market research spokesperson Kurt Lowell.

Not only that, but mousses are genuinely expanding the product group, spurring rather than detracting from the sales of other hair care accessories. They are theoretically an alternative to hair sprays, but most industry observers agree with Helene Curtis' vp-marketing and consumer products Robert Thomas that "there is no softness in the hair spray market." They could compete directly against setting gels, but there has been a marked resurgence in gels, along with styling lotions, home permanent kits, and other fixatives.

Much of the growth in these categories can be attributed to the shorter, curlier, "punkier" hairstyles currently prevailing. This trend is also affecting the shampoo market. La Maur's Perma Soft, positioned for permed-hair wearers, was shipped in October of 1983 and has become, according to HBA buyer Dale Mocco of Super Valu Stores' Green Bay, Wis., Division, "the hottest thing going right now." And the string of similar products probably won't end with Helene Curtis's new Atune line.

The shampoo market has been stable in an unstable way. It reached saturation years ago, growing slightly ahead of the population. There are just so many people, and they can wash their hair just so many times a day. The six new brands that debuted in the past year are drawing users away from existing brands, frequently from the same vendors.

Dimension (Lever Bros.) has performed very well, but is thought to have peaked. Mink Difference (Gillette) drew low marks from supermarkets, and Affinity (J&J) got mixed reviews. Procter & Gamble's new Ivory liquid shampoo, targeted for the economy segment, is too young to gauge, but should emulate the success of its P&G siblings.

Segmentation is the key for the future. An erosion in usage of established brands, coupled with the many new products, will cause a shake-up and shake-out in shampoos. Manufacturers will be identifying specific niches for their products, and fine-tuning their ad campaigns to reflect their definite differences and attract their target audiences.

Conditioners grew marginally in 1983, led by Helene Curtis' Finesse. Gillette's Silkience is picking up presently,

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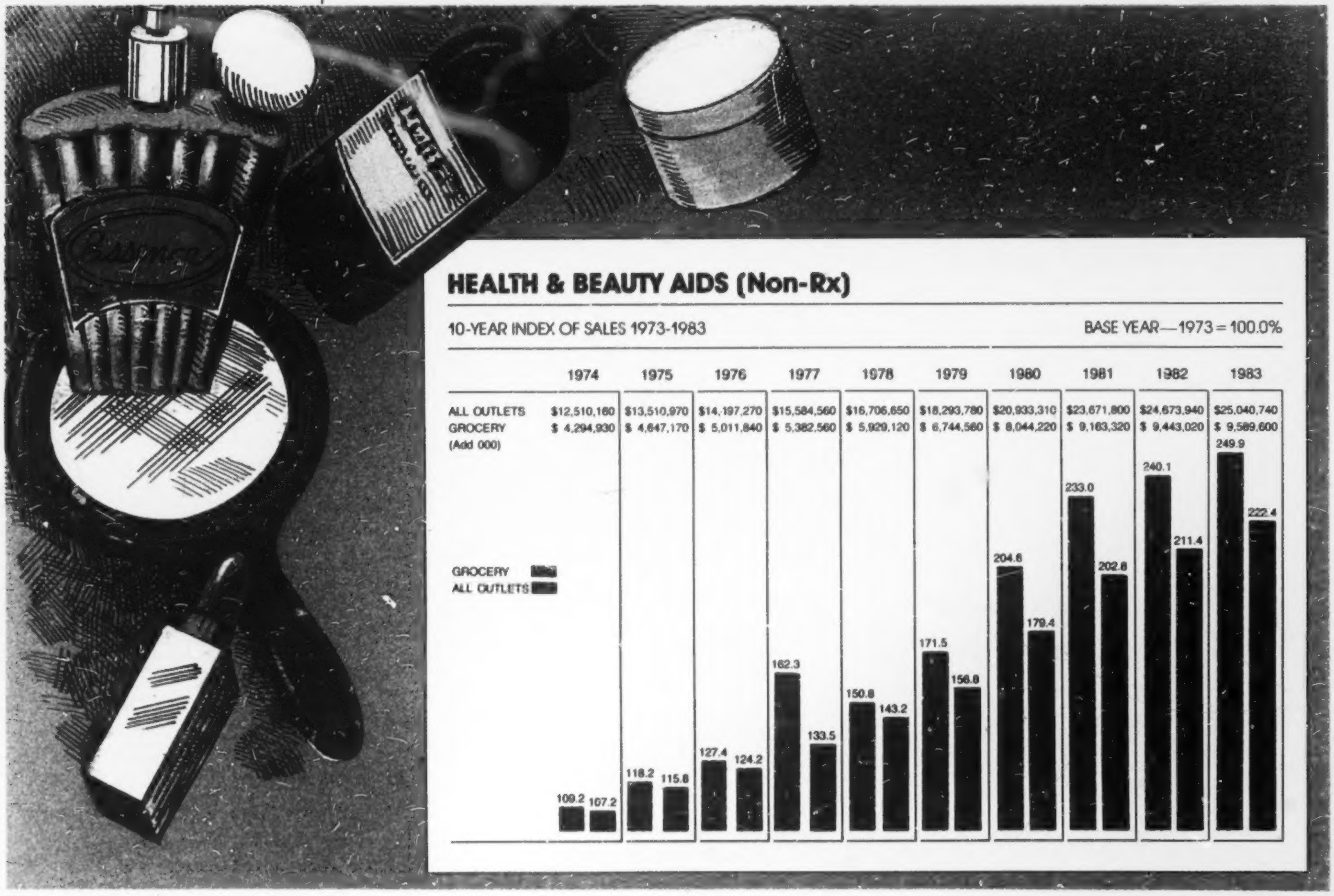

HEALTH & BEAUTY AIDS (Non-Rx)

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$12,510,160	$13,510,970	$14,197,270	$15,584,560	$16,706,650	$18,293,780	$20,933,310	$23,671,800	$24,673,940	$25,040,740
GROCERY	$ 4,294,930	$ 4,647,170	$ 5,011,840	$ 5,382,560	$ 5,929,120	$ 6,744,560	$ 8,044,220	$ 9,163,320	$ 9,443,020	$ 9,589,600
(Add 000)										

DRAWING BY ROBERT STRIMBAN

HEALTH AND BEAUTY AIDS/CONTINUED

The fairly mature allergy category showed limited growth.

Continued from page 147

while Revlon's HDR is standing still and Jergen's Squeak is dying out. Agree, from S.C. Johnson, switched its emphasis from older women to teenagers, and sales are slipping.

Sales of proprietary remedies rose from six to seven billion dollars in the 12 months ending July, 1983. Cough and cold remedies ($1.5 billion) was the largest category, followed by internal analgesics ($1.4 billion) and antacids ($800 million).

Despite their volume, cough remedies were rather sickly this past year. Cold tablets stayed hot, while nasal sprays-drops-inhalers and chest rubs chilled out. After a very good cold season decongestants proliferated. Congestac by Menley & James (a SmithKline Beckman company) is expected to join Drixoril (Schering), Actifed and Sudafed (Burroughs Wellcome) at the top.

Minor growth in the sinus remedy field won't change the shares of the four major brands: leader Sinutab, Sine-Off, Sine-Aid, and Tylenol Maximum Strength Sinus Medicine; this last registered big pipeline sales but is now returning to normality.

The fairly mature allergy market showed limited growth. Menley & James marketing vp Victor Gales notes that the ethnically oriented brands, like Dimetane, Chlortrimetron, and his own Teldrin, are growing, while the proprietary brands like Allerest are declining.

One of the most significant events of the past marketing year was the introduction of the first truly new analgesic since Tylenol appeared in the 1950's. Nuprin (Bristol-Myers) and Advil (Whitehall) both contain Ibuprofen, the active ingredient in the enormously popular prescription drug Motrin.

Early signs for Nuprin and Advil have been very positive, although some problems have been sighted. The medicine cannot be taken with aspirin, and bad side-effects have been reported. Also, the customer base being sought may be too diffuse. At Cullum Companies (Dallas, Texas) HBA buyer and merchandiser Jim Kyle can't see the same product succeeding for both menstrual cramps and arthritis relief. Products like Menley & James' Ecotrin and P&G's Encaprin, specifically directed toward arthritis sufferers, may steal their thunder.

This is only the latest Rx-to-OTC switch, "undoubtedly the biggest ongoing trend in the field," says a spokesperson for the Proprietary Association. He feels that several sleep aids and decongestants will also go from prescription-limitation to OTC-availability in the near future.

Tylenol remained at the head of the analgesic class and, along with Bayer, Anacin and Bufferin, is using promotional tactics to hedge against the impending impact of Nuprin and Advil. The Proprietary Association predicts that the sale of all proprietary remedies will become more dependent upon targeted promotional programs by manufacturers. These efforts will integrate advertising, p-o-p displays and coupon drops, as supers attempt to encroach further on drugstores' home turf. More SKUs will be

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GROCERY STORE CONTRIBUTION TO HBA* INCREASES 1983-1982 FOR 10 GROUPS AND SUB-GROUPS

	1983 SALES (000)	1982 SALES (000)	1983-1982 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Total HBA (non-Rx)				
Grocery stores	$ 9,589,610	$ 9,213,330	$ 376,270	30.3%
All outlets	$25,040,740	$23,800,760	$1,239,980	
Cosmetics				
Grocery stores	$ 494,190	$ 410,480	$ 83,710	13.9%
All outlets	$ 3,981,400	$ 3,378,990	$ 602,410	
Deodorants, Anti-Perspirants				
Grocery stores	$ 530,970	$ 465,200	$ 65,770	59.7%
All outlets	$ 993,780	$ 883,550	$ 110,220	
Vitamins, Tonics				
Grocery stores	$ 477,840	$ 411,220	$ 66,620	50.3%
All outlets	$ 1,293,960	$ 1,161,540	$ 132,420	
Oral Hygiene Products				
Grocery stores	$ 1,084,930	$ 998,310	$ 86,620	67.8%
All outlets	$ 2,018,120	$ 1,890,320	$ 127,800	
First Aid Products				
Grocery stores	$ 200,050	$ 183,340	$ 16,710	57.4%
All outlets	$ 460,800	$ 31,680	$ 29,120	
Analgesics (internal)				
Grocery stores	$ 723,510	$ 650,460	$ 73,050	45.9%
All outlets	$ 1,638,690	$ 1,479,540	$ 159,140	
Laxatives				
Grocery stores	$ 112,290	$ 100,990	$ 11,301	27.7%
All outlets	$ 503,830	$ 463,000	$ 40,830	
Shaving Products				
Grocery stores	$ 544,340	$ 506,550	$ 37,790	33.1%
All outlets	$ 1,583,580	$ 1,469,280	$ 114,300	
Hair Products				
Grocery stores	$ 1,411,570	$ 1,329,370	$ 82,210	46.5%
All outlets	$ 3,622,370	$ 3,445,510	$ 176,860	
Infant Feeding Formulas				
Grocery stores	$ 829,480	$ 726,600	$ 102,880	87.7%
All outlets	$ 980,810	$ 863,460	$ 117,340	

*Non-Rx Products Only

HEALTH AND BEAUTY AIDS/CONTINUED

Pre-measured pump dispensers for toothpastes are catching on.

Continued from page 148

allocated to these products, particularly cough-cold remedies and analgesics, due to their higher ratios of profit-per-linear-foot. Drugstores have the natural edge, but with the widespread familiarity achieved by TV advertising, and the influx of pharmacies within supermarkets, proprietary products will continue to favor foodstores.

Eye-care products saw double-digit growth in 1983, largely attributable to the new wave of contact lens solutions. Disinfectants like Alcon Flex-Care, and regular saline solutions like Bausch & Lomb's Sensitive Eyes, are both faring well.

Home diagnostic tests—everything from pregnancy to rectal cancer—picked up sales last year, but still aren't as strong as they are in drugstores. Feminine contraceptives, like Today Sponge (VLI), made a killing in certain regions. Sleeping aids finally woke up, but tranquilizers were still depressed.

Appetite suppressants and other diet aids showed good growth early in the year, paced by Thompson Medical's nutritional meal replacement Slim-Fast. A spokesperson for Thompson says that the 16 oz. SlimFast was fifth in dollar-generating SKUs in foodstores among HBA, preceded only by three SKUs of Crest and one of Tylenol.

Crest, by the way, continues to lead the oral hygiene group. Retailers feel that the company's new gel only split Crest's market share. Check-up, a pre-measured pump toothpast from Minnetonka, is an exciting new product, and Denquil, a toothpaste for sensitive teeth from Vicks, is doing very well. But for the most part it's business as usual in toothpastes, as it is in oral hygiene in general. HBA buyer Mark Davis of the Super Valu Stores' Des Moines Division points out that the top 10 best-sellers from 1982 were repeated last year as well.

Johnson & Johnson claims that its dental floss is garnering more users, and that Reach is replacing other toothbrushes. Even so, its real winner may be the new denture adhesive Secure. A unique, tasteless, dissolving sheet that becomes a gel, Secure may revolutionize the category and draw in many non-users. J&J's consumer affairs vp Jane Yates says, "It is growing by leaps and bounds," and Super Valu's Dale Mocco says, "It looks like it can't fail."

Breath fresheners straddled the zero-growth line for most of the year, but denture cleaners fell well below.

J&J also has the only major new entries in first aid, its Handyman (for men) and Kitchen Assortment (for women) flexible fabric bandages. Johnson & Johnson sees the recent increase in home health care as a great opportunity for surgical tapes, dressings and the like, but retailers haven't noticed an effect. Cortisone and antiseptics flourished last year, and for the most part, this relatively flat product group performed nicely.

Baby powders and infant clothes were consistently poor in 1983, while the total baby needs product group made almost imperceptible gains.

Continued on page 168

HBA'S 12* FASTEST GAINERS

1983 RANK	1982 RANK	CATEGORY	'83 GROCERY STORE SALES (000)	% INCREASE FROM 1982
1	2	Contact Lens Solution	$ 23,690	34.2%
2	**	Bulk Laxatives	16,320	28.3
3	2	Stick Deodorants	200,720	23.4
4		Eye Makeup	420,770	22.6
5	**	Dental Floss	23,120	21.4
6	**	Athlete's Foot Medications	17,560	21.3
7	**	Cold Tablets and Capsules	249,090	20.2
8	**	Aerosol Shaving Cream	100,480	19.7
9	**	Nail Polish & Enamel	35,360	18.3
10	**	Waveset Preparations	6,590	17.8
11	7	Menstrual Analgesics	22,360	17.6
12	**	Sleeping Aids (non-Rx)	19,460	16.5

*Non-Rx only **Not in HBA's 12 fastest gainers in 1982

HBA'S TOP 10* IN 1983

RANK 1983	RANK 1982	ITEM	GROCERY STORE SALES (000) 1983	% CHANGE 1983 VS. 1982
1	1	Internal Analgesics	$723,510	11.2%
2	2	Shampoo	701,600	8.6
3	4	Routine Infant Formulas	641,090	13.8
4	3	Toothpaste	626,130	6.9
5	5	Sanitary Napkins	563,230	10.7
6	6	Vitamins & Tonics	477,840	16.2
7	7	Eye Makeup Products	420,770	22.6
8	9	Razor Blades	299,260	4.6
9	**	Cold Tablets & Capsules	249,090	20.2
10	10	Tampons	226,070	6.6

*Non-Rx only **Not in HBA's top 10 in 1982

VITAMINS/CONTINUED

Continued from page 146

geted vitamin packs and special formulas.

Another steady sub-category within the vitamin realm is children's vitamins. The past year has popped with new products, such as Pharmavite's Monchhichi and Squibb's E.T., which comes complete with a molded figure wrapped around the bottle. These and others joined the menagerie of children's vitamin characters, from the popular Flintstones line to Bugs Bunny, Tarzan, Spider Man and, of course, the ubiquitous Strawberry Shortcake.

While these character-promoted vitamins lead the children's vitamins sub-category, some companies—especially those manufacturing natural vitamins—take a somewhat dim view of cartoon spokespeople. Says Thompson's Salerno: "We don't think children's vitamins should be considered candy; we think nutrition is serious business."

What is unquestionably serious business in the children's vitamins arena is the sugar issue. Pharmavite's vice president of marketing, Diana Kelleher asserts, "The problem with children's vitamins is that it's very difficult to make a product that's palatable without adding sugar." Neither Pharmavite nor Prime Labs, another manufacturer of children's vitamins, make *all*-natural children's chewables. This problem notwithstanding, a spokesperson for Schnuck Markets (Bridgeton, Mo.) believes that, other than the continued importance of calcium, taking sugar out of children's vitamins will be an area of major growth for the category.

One formulation direction of the near future will almost certainly be the use of G.D. Searle's NutraSweet (aspartame), which is currently awaiting FDA approval for use in children's chewables and in fruit juices. Approval could create waves within the category, and one question, at least, will be whether or not the natural vitamins manufacturers will put aspartame in

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SUPERMARKET BUSINESS
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CONSUMER EXPENDITURES STUDY

SOFT DRINKS

Pop went the soda. Fizziest performance was for low-sodium, low-caffeine, no sugar lines.

Sugar-free. Sugar-free with caffeine. Sugar-free without caffeine. Sugar-free, caffeine-free, and salt-free

The year past was one in which soft drink manufacturers declared their freedom—freedom from the sugary, salty, caffeine-laden refreshments of bygone days and bestowed upon the American public a plethora of new products and new formulations of old products. The point was to gain credibility with an increasingly health-conscious consumer population, and, if possible, to encourage a new faction of people to pop open a can or a bottle.

The success of this declaration of freedom was significant, at least from the point of view of soft drink manufacturers, who watched as Diet Coke—an entirely new product—became the number one diet beverage in the nation and the third best-selling soft drink overall.

At Pepsi, there was great growth—apart from the Michael Jackson phenomenon, giving the company tremendous media and consumer awareness when Pepsi sponsored the Jacksons' "Victory" tour. The caffeine-free segment was pretty much pioneered by Pepsi, and sales of these products, Pepsi Free and Diet Pepsi Free, have been spectacular, giving the caffeine-free category real legitimacy among soft drink consumers, says Pat Draper, Pepsi's group marketing director, diet.

But from the standpoint of some retailers across the nation, nirvana is not yet in sight. Some believe that while soft drinks overall have made sales gains during the past year, it is not necessarily due to the introduction of new products, but rather attributable to the massive advertising campaigns that have accompanied the new product introductions. Interviews by SUPERMARKET BUSINESS with a variety of retailers revealed that "cannibalizing" is a word often used to express the opinion that people drinking the new soft drinks are not necessarily new soft drink consumers, those who prefer caffeine free drinks aside.

And, in some cases, retailers see a potential storm cloud on the horizon—the possibility that cyclamates, banned by the U.S. Food and Drug Administration (FDA) 15 years ago for alleged cancer-causing properties, may be reevaluated and once again allowed on the marketplace. Bob Costello, a buyer with D'Agostino Supermarkets (New Rochelle, N.Y.), reflected the retailer: "If it were publicized that they (cyclamates) were being put back in, I think it could hurt business. We've only recently had the introduction of NutraSweet, and we've had a tremendous positive response. I don't know why anyone would want to change that, even if cyclamates are less expensive to use than the other."

But if cyclamates prove to

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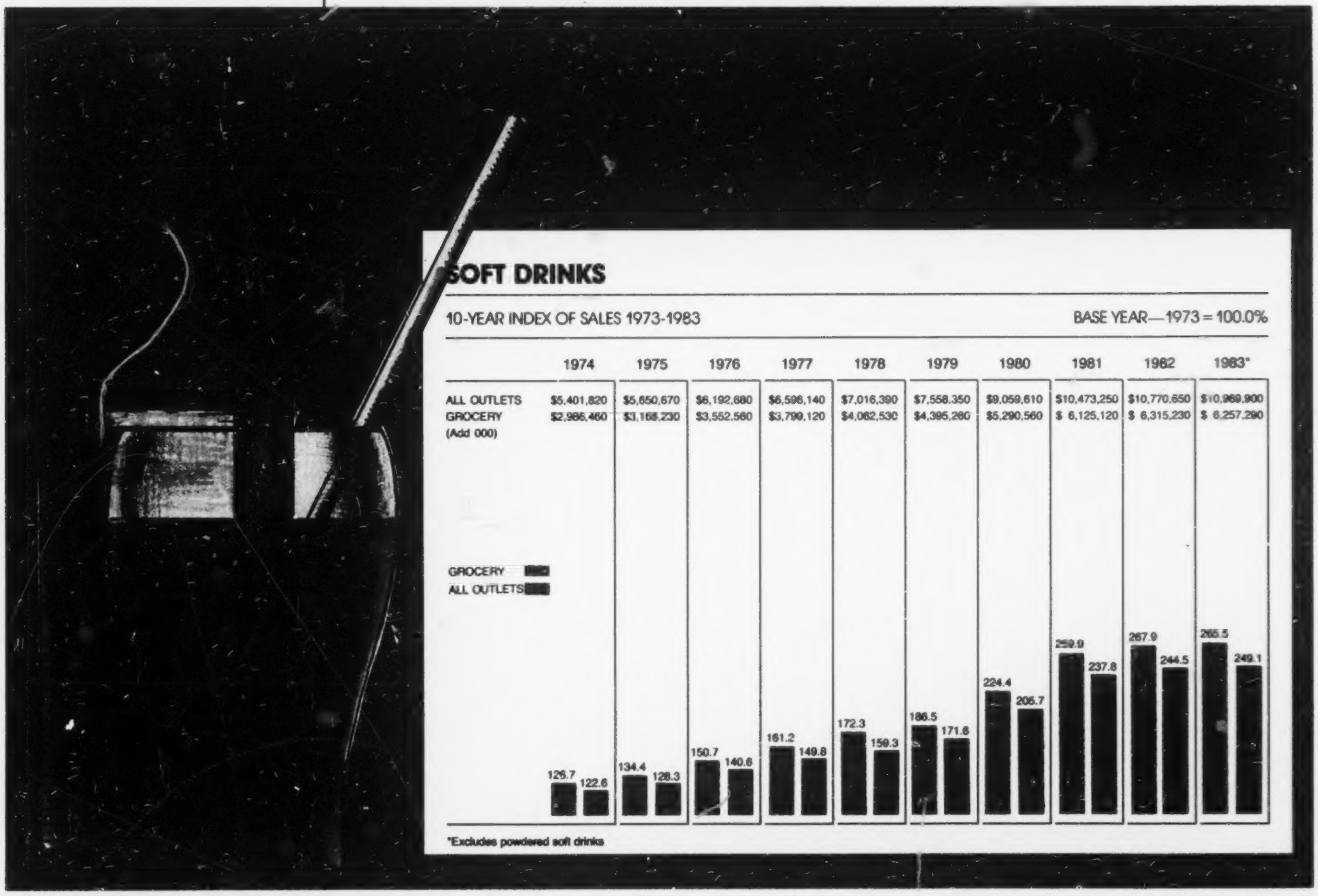


	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983*
ALL OUTLETS	$5,401,820	$5,650,670	$6,192,680	$6,596,140	$7,016,390	$7,558,350	$9,059,610	$10,473,250	$10,770,650	$10,969,900
GROCERY (Add 000)	$2,986,460	$3,168,230	$3,552,560	$3,790,120	$4,062,530	$4,395,260	$5,290,560	$ 6,125,120	$ 6,315,230	$ 6,257,290

*Excludes powdered soft drinks

DRAWING BY ROBERT STRIMBAN

SOFT DRINKS/CONTINUED

be less than welcome in the retailing community, the sales figures generated in the soft drink category over the past year may well soften the blow. During 1983, sales of soft drinks in the United States reached almost $11 billion, of which about 57 percent—$6.3 billion—was spent in grocery stores. These figures represented a total increase of $705.7 million, or 6.9 percent, over 1982's soft drink sales of $10.3 billion; in groceries, sales of soft drinks were up slightly more, 7.1 percent, or $413.5 million, over 1982's sales figures of $5.8 billion.

Figures also show that while dollar figures are higher, the role that soft drinks play in the supermarket business remains basically stable. In 1983, soft drink sales represented 2.6 percent of total store sales, up slightly from 1982's 2.53 percent; however, in both years the percentage of soft drink sales in groceries to total soft drink sales remained exactly the same—57 percent.

There are conflicting signposts in the soft drink landscape. In the diet soft drink arena, there are figures that seem to be at odds with the high profile that diet drinks have in the media.

In 1983, $9.3 billion were spent on bottled soft drinks, $656 million of which were in the dietetic category, or about 7 percent. This represented a slight decrease from 1982, during which $8.7 billion were spent on bottled soda, $633.5 million—or 7.3 percent—on dietetic products. The same holds true in the canned soft drink area: $1.5 billion spent in 1983, with $548.6 million or 36.3 percent in the diet area, while the year before $1.4 billion were spent on canned soft drinks, with $525.5 million or 36.8 percent in diet drinks.

These figures for the national level are consistent with the statistics for the grocery level. In 1983, $4.7 billion was spent on bottled soft drinks in groceries, $517 million or 11.1 percent on diet drinks; $1.4 billion was spent on canned soft drinks, $500 million or 35.1 percent on diet products. These numbers are down from 1982, when $4.4 billion in bottled soft drinks were sold, 11.4 percent or $499 million of it in diet products; in canned soda during 1982, $1.3 billion worth were sold, of which $478 million, or 36.4 percent, was in the diet area.

Clearly, the role that soft drinks played during the past year in the supermarket business cannot be adequately described in numbers—while supermarkets brought in about two-thirds of the national soft drink business, or $4.6 billion, soft drink sales in supermarkets represented 2.52 percent of total supermarket sales.

The excitement of 1983 can be illustrated best with an appreciation for what the soft drink industry achieved during the year. Variety became the key word, as new offerings included both Coke and Diet Coke without caffeine, Pepsi

99% CAFFEINE FREE COLA
Pepsi Free
NUMBER 1 AND
Number one in the caffeine-free cola segment. Source: John Maxwell 1983
PEPSI FREE, PEPSI-COLA FREE and DIET PEPSI FREE are trademarks of Pepsico, Inc.

Free and Diet Pepsi Free, and reformulations of Tab (using NutraSweet) and Diet Rite Cola (eliminating the salt). Seven-Up, unwilling simply to watch the soft drink battles, brought out its own cola drink, Like, and continued to push its non-caffeine products, Seven-Up and Diet Seven-Up, with the slogan, "Never had it, never will." All across the country, large and small manufacturers alike issued proclamations about all the ingredients they didn't have, and crowed about the ingredient they did have—aspartame, or NutraSweet, developed by G.D. Searle and generally used in a blend with saccharine to eliminate bitter aftertaste in low-calorie soft drinks.

While NutraSweet was ingested enthusiastically by the public, it did pose a problem for manufacturers. The chemical is at this time more expensive to produce than saccharine, and would tend to drive soft drink prices up—except for the fact that soft drink customers tend to be extremely price sensitive.

NOW
with NutraSweet Brand Sweetener Blend
diet Pepsi free
CAFFEINE FREE
GROWING STRONG!

But consumers still like the NutraSweet taste. Pepsi finished its rollout of Diet Pepsi with NutraSweet in the first quarter of 1984 and trends for this year indicate that 17 million incremental consumers will purchase Diet Pepsi, over the 46 million nationwide who bought it in 1983. Pepsi Free and Diet Pepsi Free continue to dominate the caffeine-free segment. Diet Pepsi Free completed its NutraSweet conversion in August and already sales show that Diet Pepsi Free will continue to enjoy a leadership position.

A spokesperson for Royal Crown Cola Company, said that the increased demand for aspartame-sweetened products meant that manufacturers "have to generate more volume in order to keep the price down. You can't start selling a two-liter bottle of cola for $1.29, because consumers are conditioned to know that a good price for that product is 99 cents."

Retailers interviewed noted that high volume is generated through a heavy promotion schedule—in most cases at least two or three products each week, with a heavy emphasis on end-aisle displays.

One major push scheduled for the coming year is for Coca-Cola's lemon-lime soft drink, Sprite. Rob Martin, a spokesperson for the company, said that inititally the emphasis will be on fountain sales, with McDonald's fast food restaurants slated to begin carrying Sprite instead of Seven-Up in many areas. "We're going to beat the hell out of Seven-Up," he said, though he noted it was not certain that increased usage of the product in fountain-style stores would translate to increased sales in supermarkets. "There are a variety of opinions on that subject," he said. "Nobody really knows."

A more modest effort to be made during the coming year will be made by Dr. Pepper for its caffeine-free regular and diet Dr. Pepper drinks. Currently in about 30 percent of the company's markets, the caffeine-free varieties are

SOFT DRINKS/CONTINUED

Diet soft drinks account for about seven percent of the category.

expected to be nationwide within a matter of months, said Jim Ball, a company spokesperson. Ball said that the company is moving away from national advertising, stressing instead local efforts and the sweepstakes strategy that has worked for it in the past. Six major sweepstakes have been run by the company during the past year, and Ball said that experience shows that the strategy works in terms of getting instore consumers to try the product.

But despite the broad range of advertising and promotional efforts executed and planned by soft drink manufacturers, retailers remain skeptical about the long-term effects.

G.C. Clerc, advertising manager for Winn-Dixie Stores (Jacksonville, Fla.), said, "Product introductions are an ongoing affair, and if a major company brings out a new product, we're going to carry it. From that point on, however, it is up to sales to determine what happens." Clerc said that in the soft drink area over the past year, "in general, we have not allotted more space," preffering simply to shift the mix slightly.

Clerc's attitude was seconded by Fred Horan, a buyer with Iandoli's Super Markets (Worcester, Mass.), who said, "As far as I'm concerned, caffeine-free sodas are just new flavors on the shelf. They are just cannibalizing the other sodas." Noting that his stores have seen only a slight increase in soft drink sales over the past year, Horan said, "We're offering only the same amount of shelf space (to the category), but a full selection." When new products came out, Iandoli's reduced amounts of products offered by the same manufacturer rather than other producers—for example, cutting the amount of Coke rather than Seven-Up so that caffeine-free Coke could be carried.

Still, despite the dubious attitude of retailers, soft drink manufacturers plan to continue attempting to expand the category. A spokesperson for the National Soft Drink Association said that his industry clearly felt that caffeine-free and aspartame-sweetened drinks had opened up a whole new market for soft drinks, one that could continue to be exploited, (as Pepsi has done). And, said the spokesperson, new changes and controversies could emerge if the FDA allows cyclamates to be used in soft drinks for the first time in 15 years. "It will be up to the individual companies to decide" if they can overcome the negative publicity of the past, he said. ■

—KEVIN COUPE

SNACKS/CONTINUED

Continued from page 131

out of 10 households, according to industry research. However, Paul Banicki, grocery buyer for Hughes Markets (Los Angeles), a 37-store chain, reports that potato chip sales are down, while corn chips and tortilla chips continue to gain in popularity. O'Grady's Potato Chips, Frito-Lay's new entry in the field, has yet to really catch on there.

Reflecting a national trend, shoppers at Hughes markets are also looking for healthier snacks. "Low-salt items have increased overall," says Banicki, whose company continues to re-allocate its snack section shelf space according to sales by company. Overall, snack sales at Hughes reflect a general supermarket industry trend.

One company that has been going after the younger, more health-conscious consumer is Granny Goose, now privately owned by G.F. Industries. Granny Goose was restructured in 1980 for expanded growth, which has included several new products.

Ripples, a thin, ripple-cut chip with a buttery taste, 50% Less Salt Chips, Fiesta Nachos (tortilla chips with a cheese sauce packet included), Tortilla Strips made from white corn, and a thin, crispy Corn Chip are all products designed to diversify Granny's product line and cater to the changing snack market.

Granny Goose also represents a reversal in the snack industry in that it was a regional that was bought out by a major manufacturer (Del Monte) at one time and then became a regional again. According to Wesley J. Felton, Granny's president, "Now some regionals are being bought back by private owners. We know that we have to be much more aggressive if we are to compete and get our market share back."

Going against the national buying trends are the shoppers of the Southwest and Texas. Long familiar with things Mexican, snack items that are nacho-flavored or Mexican in nature rank behind other items in sales.

"Mexican is nothing new down here," says Tommy Hamby, grocery buyer for Furr's, Inc. (Lubbock, Texas). "There are Mexican restaurants on every corner here, so folks don't think nacho flavor is something special." What does sell in Furr's 100 stores are sweet snacks and nuts.

One of the newer snack items that sells well in Furr's stores is fruit snacks, such as Fruit Rolls, by Sunkist, and Fruit Roll-ups, made by Betty Crocker for General Mills.

Hit hard by inflation and recession, sales of snack cakes and pies tumbled as they were viewed as treats and not staples, according to The Snack Cake Market, a report prepared by Packaged Facts. Another factor in the decline was the dip in blue-collar employment that resulted in fewer workers carrying snacks with their lunches.

A part of the recovery centers on snack cake manufacturers targetting a new demographic group as potential buyers. The six–seventeen-year age group decline has influenced companies to reposition some of their products as breakfast foods and to go after the convenience-minded homemaker. ITT Continental, the market leader with its extensive Hostess line, as well as Interstate Brands' Dolly Madison, Tasty Baking's Tasty-Kake and McKee Baking's Little Debbie, have all extended or partially repositioned to appeal to this market.

The major manufacturers have also had to contend with new competition. Campbell Soup's Pepperidge Farm subsidiary has been a major success, as have Consolidated Foods' Kitchens of Sara Lee's Snack Packs and General Mills' Entenmann subsidiary.

According to Lawrence E. Joseph, director of publications for Packaged Facts, "The snack cake market appears to be starting the same sort of restructuring already under way in the markets for cookies and candies. In each case, the repositioning away from children and toward young adults will have brought with it a number of higher-priced, higher-quality new products, often marketed by competitors new to the field. In a market as conservative and tradition bound as that for snack cakes, some of the leaders may well be caught napping."

Snack items have been, and continue to be, heavily promoted, as the cookie war indicates. In excess of $95 million is spent each year on snack promotions and some $60 million in advertising. The result is what Banicki, of Hughes Markets, calls "a growing promotion price war."

Hamby, of Furr's, also sees increasing competition for the snack dollar, with manufacturers campaigning hard for consumer loyalty. But he says, "Price determines what is bought in our stores," which accounts for the company's, and the industry's, very strong sales in generic snacks. ■

—ROBERT MILLER

SUPERMARKET
BUSINESS
37th ANNUAL
**CONSUMER
EXPENDITURES
STUDY**

NATURAL FOODS

It was a "natural" year for this category, as more and more consumers took advantage of expanded, improved health foods and natural foods sections in supers.

Natural foods have come of age in the supermarket business. Conversations with buyers for chains across the country indicate that, while the category of natural products is still new to many consumers and they have certain reservations about unfamiliar items, a national concern both about healthful diets and the price of food has led many supermarkets to incorporate nutrition centers or bulk food centers in their stores.

Natural foods can be defined as those products containing no added sugar, starch, preservatives, artificial coloring or additives. Simply put, they are as close to their whole, natural condition as possible and still edible.

It is estimated that today there are some 2,200 supermarkets across the country with either nutrition centers or sizable natural food sections. This represents a more than 46 percent increase over 1982. Industry experts believe that as many as 50 percent of all supermarkets carry natural products to some extent.

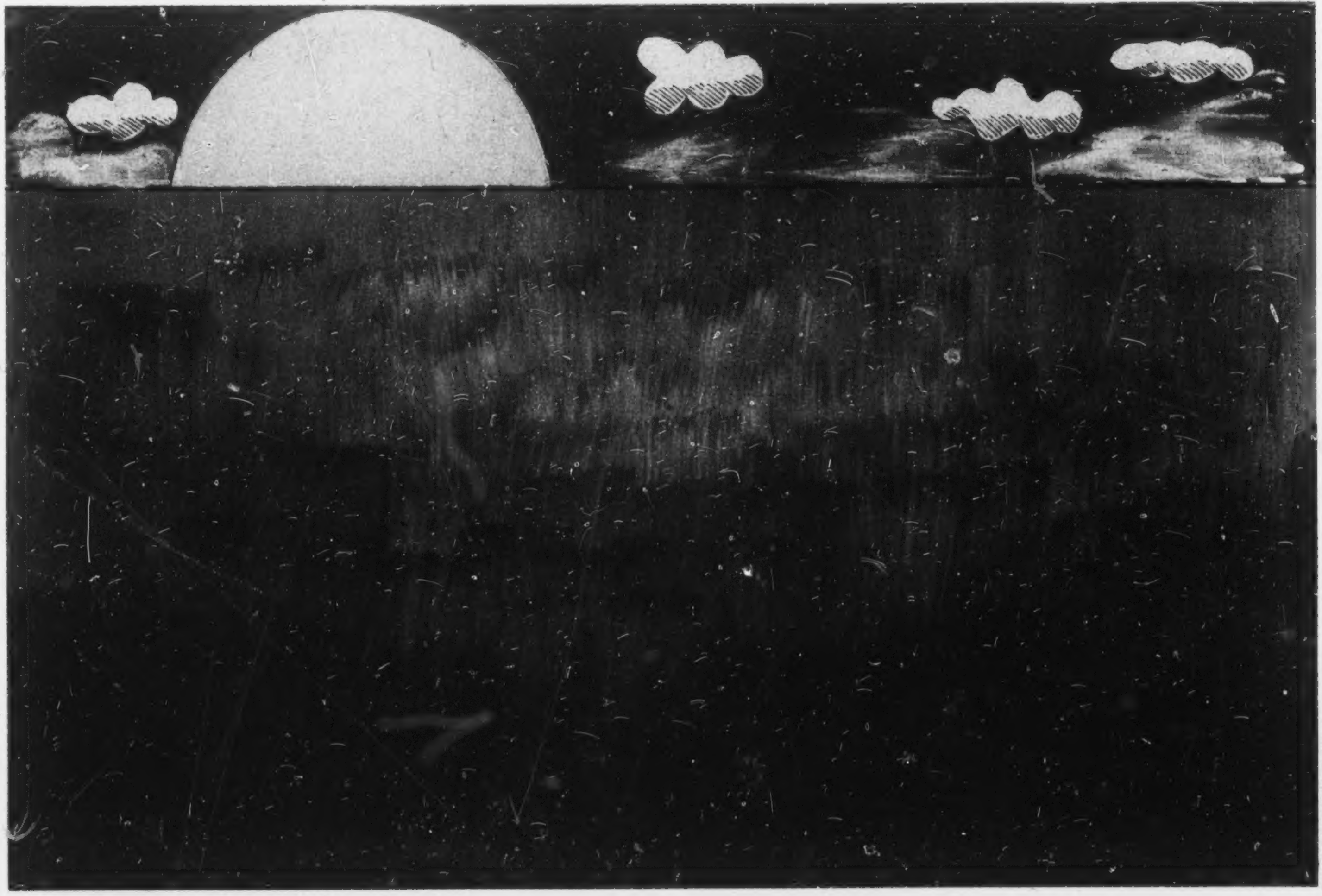
One reason for the growth of the natural foods industry is the result of public education of consumers. What was once the food of health purists has become a part of the normal diet of millions of people. Only one in 20 supermarket shoppers has ever been inside a health food store; the shopper who is attracted by a supers' natural food selection is probably supplementing a diet of regular foods and looking for ways to cut costs.

Sales of natural products topped $534 million last year, a 36.9 percent increase over the previous year, according to a study by *Natural Foods Merchandiser.* This growth has attracted a lot of newcomers to supermarket chains offering such products.

Furr's, Inc., a chain of 100 stores in South Texas and New Mexico with headquarters in Lubbock, Tex., recently converted its small natural foods sections to bulk food centers, featuring 235 items. "We're the first ones to do it in this part of the state," said Tommy Biles, grocery buyer, "and we did it because it seems to be catching on in other parts." Furr's took a look at bulk food operations at Smith's, in Utah, and Dominick's, in Chicago, before undertaking its own and was impressed. Bulk food sections are a natural outgrowth of the natural foods sections at many supermarkets. While bulk foods sections often offer a lot of the standard natural foods items—grains, granola, etc.—they are not strictly natural foods sections. Bulk foods sections have come to hold anything from potting soil to potato chips.

Biles has established the bulk food centers, in which shoppers can purchase whatever quantities of items they choose from barrels marked with the name of the product, as close to the produce departments as possible and says

Continued on page 174



DRAWING BY ROBERT STRIMBAN

Continued from page 143

leading brands. The other 20 percent are brand-loyal, and they'll go somewhere else if you don't stock what they want," he says.

While stores often use oil as the drawing card, among supers, in general, they aren't going so far as to give it away, says one wholesaler, who notes that the average markup he sees on oil in supers is 24 percent over cost.

Significantly, that may still be *way* below what's being charged by automotive specialty stores. "Check their prices," advises one supplier, who has done so, and was amazed by what he found. "Once you set aside the advertised specials," he says, "the specialty stores were more expensive than our customer (a drug chain that is notoriously higher-priced than competing supermarkets)."

It's generally agreed by suppliers that supers need to look closely at what their competitors are doing. "Go into the chain stores and the drug stores selling auto supplies," urges Earl Moeller, director of administration for Champion Spark Plugs (Toledo). "They've learned from the supermarkets, and pioneered a lot of concepts. Look at how and what they're merchandising, and see how it can be done in the supermarket environment." Adds WD-40's marketing vice president, Jerry Schleif, "If supermarket operators just sit back and think the customer's going to do something (like developing a habit of buying auto supplies in the super), they're certainly going to lose out. I think the nonfoods entity has to get aggressive, recognize the competition, and react to it."

One "nonfoods entity" who has done just that is Harvey Sutton, the merchandiser of such lines at Ukrop's Super Markets (Richmond, Va.). He's also taken a close look at the demographics for each of his company's 14 stores. Where residents are mainly blue collar workers, he says, oil gets up to eight–twelve feet of display space. Elsewhere, it's more likely to be allocated as few as two small shelves.

In Ohio, meanwhile, the Fred W. Albrecht Grocery Co. (Akron) is stocking its auto supplies sections "primarily with lines that will be picked up by women," says nonfood buyer Greg Bognar. His company, most of whose stores are large ones, also is doing a lot of experimenting with section sizes. "We started one store with 60 feet, and found that was way too much," he notes. "We feel if you stick with the basics, 20 feet is about all you need in most instances." His auto sections now vary in size from 20–28 feet and, as well as oils and additives, contain "mainly chemicals, plus a few pegboard items." He notes, as does United's Bob Kramer, that air fresheners are good impulse items.

"We put character air fresheners at children's eye level," Kramer says, "so they'll call Mommie over. Once she's there, she finds a section that's been put together with her very much in mind. We recognize that she still does most of the buying, but we work hard to make the section professional enough in appearance so that when her husband comes to the store with her, he has a haven."

Another chain with very "professional-looking" auto supplies sections is Big V Supermarkets (Florida, N.Y.), some of whose ShopRite stores in New York and Pennsylvania have auto sections of no less than 52 feet, offering something for everyone. By contrast, on the other side of the country, C&K Markets (Brookings, Ore.) sticks "mainly to convenience items," says vice president Norm Burrows. His company's trading area, just above and below the California line, has a heavy concentration of "very competitive" auto specialty stores, he notes, "and we see no sense in trying to compete on anything 'heavy' like

Continued on page 173

GROCERY STORE CONTRIBUTION TO VARIOUS GM* INCREASES 1983-1982

	1983 SALES (000)	1982 SALES (000)	1983-1982 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Photo Supplies & Processing				
Grocery stores	$ 763,640	$ 701,560	$ 62,090	14.9%
All outlets	$5,140,600	$4,846,080	$294,520	
Magazines & Newspapers				
Grocery stores	$1,248,800	$1,141,900	$106,900	15.7%
All outlets	$8,529,020	$7,849,890	$679,130	
Flashlights & Batteries				
Grocery stores	$ 422,280	$ 372,680	$ 49,600	23.4%
All outlets	$2,794,200	$2,582,450	$211,750	
Greeting Cards				
Grocery stores	$ 309,730	$ 267,240	$ 42,490	8.9%
All outlets	$3,150,940	$2,674,820	$476,120	
Pet Accessories				
Grocery stores	$ 400,900	$ 390,950	$ 9,950	18.7%
All outlets	$1,503,530	$1,450,270	$ 53,260	
Records & Tapes				
Grocery stores	$ 169,630	$ 162,950	$ 6,680	14.9%
All outlets	$1,917,070	$1,872,140	$ 44,930	
Stationery				
Grocery stores	$ 118,590	$ 116,250	$ 2,340	9.1%
All outlets	$ 578,260	$ 552,530	$ 25,730	
Women's Hosiery				
Grocery stores	$ 663,740	$ 601,930	$ 61,810	22.8%
All outlets	$3,502,870	$3,231,590	$271,280	
Toys				
Grocery stores	$ 198,850	$ 187,240	$ 11,610	2.8%
All outlets	$8,833,360	$8,436,830	$396,530	
Disposable Cigarette Lighters				
Grocery stores	$ 109,680	$ 102,700	$ 6,980	43.4%
All outlets	$ 275,390	$ 259,310	$ 16,080	

*Excludes HBA & Rx

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

DRIED FRUITS

Sales were the pits for dried fruits last year. The reason? High prices and sluggish merchandising. Some new products may give cause for hope, though.

Dried fruits, which are increasingly being tied to wholesome snacks, began to pick up momentum in 1984. But sales are still not at satisfactory levels for retailers. The underlying reason? Price, say retailers. Poor merchandising, claim manufacturers.

Both high prices and improper merchandising have contributed to the sluggish growth of the dried fruits category. Contends one West Coast chain, "The category is flat as a result of high prices."

Publix Super Markets, (Lakeland, Fla.) also reports that the category has shown little growth as a result of high prices in the last four to five years, according to Fred Lankford, buyer. "However," he notes, "it looks like this year we will get some relief because the price of raisins has gone down."

Indeed, raisins, already the top-selling item in the category, will do even better this year because of drastically reduced prices offered in the Fall, when consumers are most likely to purchase them.

According to the California Raisin Advisory Board, the price of California raisins will be reduced to reflect record tonnages of about 400,000 tons of raisins that were harvested in early September of this year. Price reductions will result in the lowest prices in six years, according to CALRAB. One raisin producer estimates that the price will drop from $28 per case to $18 per case.

Despite retailer claims that the category is flat (outside of raisins), dried fruit producers all report increases in sales for 1984.

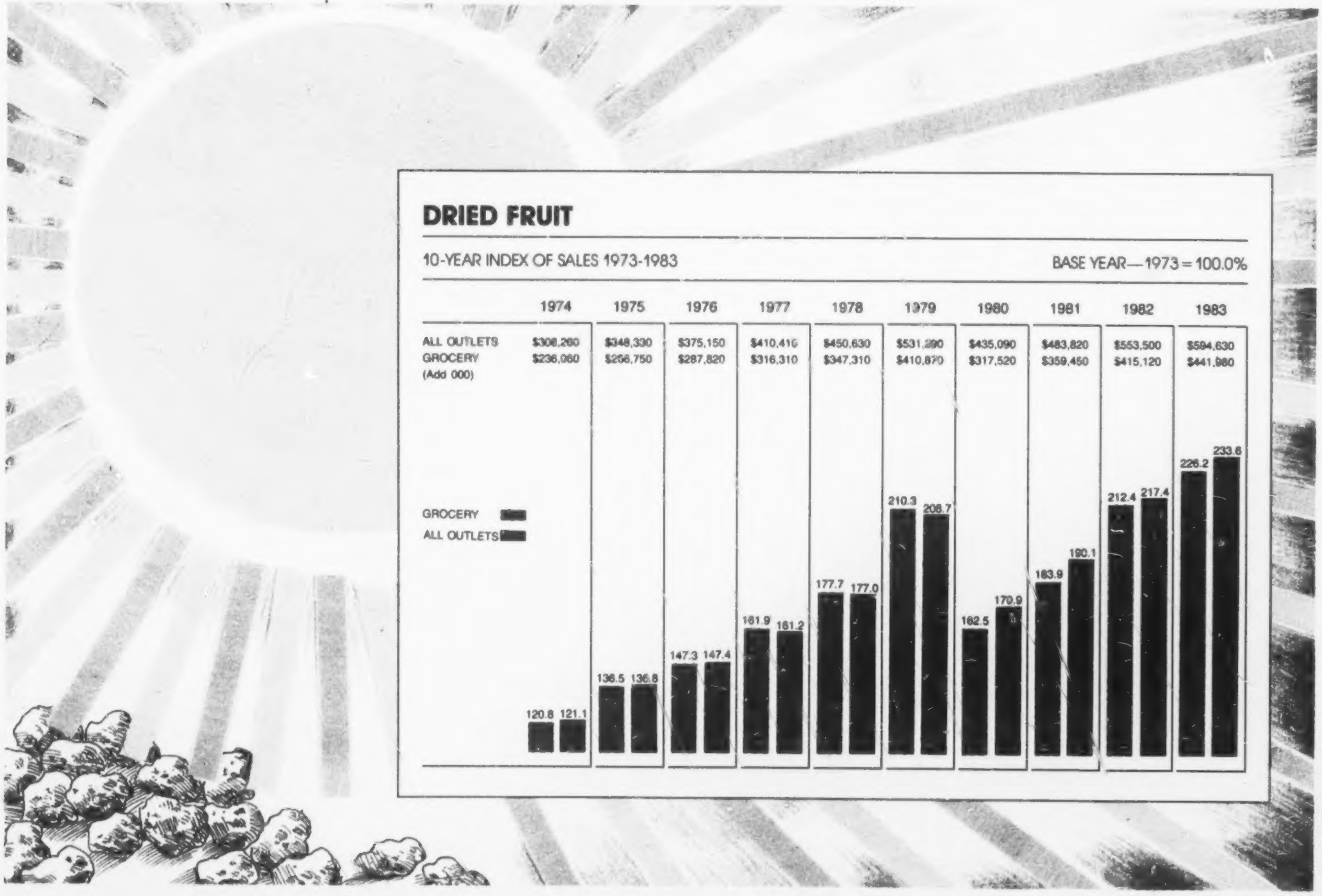
Del Monte, which bills itself as the largest producer of dried fruits, has been experiencing a five to eight percent growth each year, according to Karen Bachman, manager-product publicity.

Sun Diamond Growers of California will see about a seven to 10 percent increase in supers in terms of tonnage, according to Don Soetaert, senior vice president, sales and marketing distribution. He says, "We have been witnessing growth for some time now because of today's lifestyles and consumer awareness regarding better, more nutritious snacks."

Del Monte currently has on line about 40 different products, all of which are packaged in a variety of ways. According to Bachman, the company plans to introduce several new items, but for competitive reasons is reluctant to disclose them.

Sun Diamond Growers produces about 75 products under the Sun-Maid, SunSweet and Diamond brand names. In 1984 it introduced three new products: diced prunes, prunes in a new style of packaging (reclosable boxes) and fruit bits.

Continued on page 166


DRIED FRUIT

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$308,260	$348,330	$375,150	$410,410	$450,630	$531,290	$435,090	$483,820	$553,500	$594,630
GROCERY (Add 000)	$236,060	$256,750	$287,820	$316,310	$347,310	$410,870	$317,520	$359,450	$415,120	$441,980

DRAWING BY ROBERT STRIMBAN

DRIED FRUITS/CONTINUED

Continued from page 164

According to Sun Diamond's Soetaert, much of the reason dried fruits are not selling as well as they could is because the category "is not merchandised properly." Sun Diamond Growers has embarked on several programs to identify the shortcomings of dried fruit sales in supers. Says Soetaert, "We can show a chain where it is losing sales to its competitors. For example, we will find a chain in a given city that has 15 percent share of the market but only five percent of the dried fruit market because it is not giving attention to the category." Sun Diamond will go to a chain, carefully analyzing each of the retailer's markets, and, according to Soetaert, "We'll guarantee increased sales."

Part of the problem, Soetaert claims, is that many retailers stock dried fruit sections with whatever the wholesaler offers. As a result, he says, "They may end up with four or five brands of an identical product and therefore may not have even one item of a different brand. So, they are not offering a full range."

When queried, most retailers said that they display dried fruits in separate sections usually near health food or canned fruit departments. H.E. Butt Grocery Co. (Corpus Christi, Tex.), displays the category in four-foot vertical sections next to canned fruits. It carries about eight or 10 different types of dried fruits, with the newest being Sun-Maid fruit bits.

Publix devotes as much as 40 feet in its stores to the dried fruit category and, according to Lankford, will consider expanding that space if new entrants come on line.

A West Coast chain displays dried fruits next to the health foods in a 32-foot section because, according to a spokesperson for the chain, it is considered a health food. Fruit rolls, which he reports are the hottest item in the category next to raisins, are situated in the snack sections since they are perceived as wholesome snacks.

Currently, there are two main producers of fruit rolls, and both companies report healthy sales. General Mills first introduced its Betty Crocker Fruit Roll-Ups in the fall of 1982 and now has an assortment of seven different flavors available to retailers. According to a spokesperson, "We are very pleased with sales so far."

Sunkist Fruit Rolls, which are produced by Sunkist Growers, Inc. and marketed through Thomas J. Lipton, were also introduced in 1982 to selected markets on the West Coast. Now they are going national and are available in five flavors.

According to Dave Walsh, product manager for Sunkist Fruit Rolls, "We don't compete with dried fruits. We compete in the granola section of supers and look at sales of granola bars, which we consider to be the fastest-growing category in supermarket sections." He adds that fruit rolls are more highly advertised than dried fruits which are "more of a commodity item."

Unlike fruit rolls, which sell fairly evenly throughout the year, dried fruits sell on a seasonal basis in most parts of the country. According to the West Coast chain, dried fruit does best around the winter holidays. And, says Del Monte's Bachman, "More than 40 percent of dried fruit is sold between September and December because of holiday cooking."

Dried fruits also appear to sell better in specific geographic areas. According to Sun Diamond Growers' Soetaert, "Larger size bags of raisins sell better in northern climates where more baking is done. Three times more prunes are sold per capita in New York compared to Birmingham, and dried peaches sell better in the Southeast. However, there are acceptable sales levels of all these products in all markets."

Retailers agree that dried fruits sell better in certain pockets of the country. Dick Doty, buyer for H.E. Butt, notes that while dried fruits do not sell well in the Southwest, where his stores are located, they do seem to do well in the Northeast and Midwest.

A number of retailers have experienced reasonable success with private and generic labels. A West Coast chain's private label does as well as its Sun-Maid raisin offerings, which are its top selling item in the category.

According to Doty, H.E. Butt's private label raisins do very well, controlling about one-half of the market. Its private label prunes also sell well, controlling about 30 percent of the market. Both items are priced about 15 to 18 percent lower than the name brands.

Hy-Vee Food Stores (Chariton, Iowa), recently introduced a generic raisin which, according to buyer Bernard Frazier, "is one new item that is doing particularly well and has resulted in a slight increase in shelf space for the entire category."

Some retailers have also begun experimenting with bulk dried fruits. Hy-Vee, for example, now sells apricots and prunes in bulk and has met with some success.

However, producers of dried fruits discourage retailers from selling in bulk because of certain risks. Says Sun Diamond Growers' Soetaert, "We sell some bulk (to retailers) but we don't encourage it since dried fruit is highly susceptible to infestation, which we go through many extra costs to prevent. Dried fruit must also be kept at certain moisture levels, which is hard to maintain when sold in bulk."

Except around the holidays, retailers launch few promotions' for the dried fruits group and do little advertising. However, producers of dried fruits have been developing more promotional programs for retailers to stimulate the category. Del Monte, for example, promotes its dried fruit lines with coupons and offers retailers POP materials. It also provides food chains with product samplings.

Sun Diamond Growers runs frequent co-op advertising campaigns as well as special seasonal promotion during the back-to-school, Halloween and Fall baking periods. ■

—LAUREN YANKUS

DAIRY/CONTINUED

Continued from page 140

operated a REAL Seal Sweepstakes to promote its REAL seal on genuine dairy products.

To enter the sweepstakes, held in June, consumers mailed REAL labels or facsimiles, hoping to win one of some $300,000 in prizes. This promotion was one of many that dairy buyers depend on, and sometimes have difficulty keeping up with, to generate interest in the dairy section of their stores. Because many shoppers buy dairy products wherever it is most convenient to do so, and because most dairy products are perceived to be commodities rather than discretionary items, supers rely on manufacturer promotions, both in-store and advertising, as well as their own store promotions to bring consumers into the dairy area.

"We get good support from the manufacturers because they realize that without it their product will die and the stores will stop carrying the item," says Stan Esson, of Red Owl. Bob Bowman is more blunt. "If we don't get support for the product, we drop it right away," he says. Bowman's stores in the New England area advertise eight to 10 dairy items a week and count on brand advertising to support them.

Nevertheless, there is not total agreement on the value of manufacturer promotions. Some buyers feel that there are so many that they become impossible to keep up with. Another criticism levelled at the creators of the instore special promotions is that the rules and requirements change so often that the individual store managers have difficulty keeping up.

From the manufacturer's point of view, dairy products hold another kind of problem. Because the majority of space in any dairy section is taken up with one or two regional or local brands, it is very difficult to get new products on the shelf. In other areas of the store, additional shelf space can be added with little difficulty; because dairy products, for the most part, require refrigeration, manufacturers are often frustrated by the little existing space that can be allocated to their product. The result is stiff competition for favor, and that often comes in promotional support of many kinds. ■

—ROBERT MILLER

Continued from page 152

(See separate focus story on Baby Needs, p. 91.)

A Revlon spokesperson says that last year the skin care aids market "started to grow again ... Retail inventory came down, instore levels caught up with customer takeaway, and as disposable income increased, stores called for larger and more frequent reorders."

Skin treatments were still the fastest-growing segment, but smallest by size. Cosmetics (color and fragrance) were the largest category, and collagen-based moisturizers and cleansers bolstered their steady progress.

Though many retailers agree with Allied Supermarkets (Detroit, Michigan) HBA merchandiser Chris Donohue that "skin care lotions aren't exciting," SAMI studies showed exciting growth in hand and body creams and lotions last year, without the benefit of any major new entries. Consumer Expenditures Study figures show good movement in hand and body lotions and suncare products. Lip care products had an often blistering pace, but leveled off in late Spring.

A spokesperson at Gillette concludes that "skin care is just beginning to take off, and will be really big in the next couple of years."

Shaving needs grew erratically in the last 12 months. Edge gel held off all competitors, as Soft Shave and Gillette's Foamy gel started well but couldn't hold on. An interesting innovation will be Gillette's Brush Plus. This all-in-one brush and shaving concentrate system will have the cream secreted up through the brush itself, and will roll-out in October.

Razors and blades were a $637 million retail business in 1983, split between permanent refillable systems (62 percent of unit sales, 68 percent of dollar volume) and disposables (38 percent and 32 percent). Gillette's Atra was the uncontested number one overall, followed by Trac II which, retailers feel, was not promoted as much. Double-edged and injector models were not big factors in sales. As a Gillette spokesperson notes, "It has switched to a cartridge market; twin blades are now state-of-the-art." Razor blades were virtually cut off.

Good News and Daisy led the disposable category. Daisy is Gillette's disposable counterpart to their Just Whistle razor; both are for women. Females outnumber male shavers, although men use far more blades. In the future, the spokesperson for says, "Razors are expected to grow moderately, but not as sharply as in the last couple of years."

Deodorants stayed strong with a 10 percent growth. Sticks and roll-ons seemed to move faster than sprays, appealing to a broader market. Super Valu's Dale Mocco says, "I'd be surprised if aerosols ever came back to where they used to be." They stand at about 20 to 25 percent right now.

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Procter & Gamble paced the pack, owing to the success of Sure and Secret. Substantial unit sales for the new body sprays, like Gillette's Body Flowers and Carter-Wallace's Mischief, helped turn the category around, although cream deodorants continued to get creamed.

Feminine hygiene sprays were steady but stagnant, douches decent but unspectacular. Supermarkets reported accelerated traffic in foot care, led by Desenex from Pharmacraft (Rochester, N. Y.).

The foremost consumer brand in athlete's foot, Desenex owns more than a 50 percent share in supers. The company is broadening its market strategies to combat Tinactin, combining with Cruex to form a "relief team." This is a response to Tinactin's decision to market a jock-itch remedy with the same formula as its foot care product. Pharmacraft's Dave Hurwitz, product manager for Desenex and Cruex, explains that this move will only expand the jock-itch category on paper, reshuffling Tinactin's own customers.

A possible development in the near future may result from the expiration of Schering's patent on Tolnaftate. "It may mean increased competition in the marketplace," says Hurwitz, "but it will be awfully tough for a new vendor to enter the field."

Many retailers witnessed an increase in advertising last year, with powerful promotional suport from manufacturers for both new items and existing ones. Some have noticed that vendors cut down on the number of products promoted, but were offering higher allowances and more lucrative deals on the ones they did push. Roto-allowances were easier to come by, and they were generally quite profitable. "We did five weeks normal business in one week with the rotos," said Super Valu's Mocco. "It has a lingering effect too, increasing sales right down the line."

Cullum Companies' Kyle rails against all these promotional gimmicks, like buy-one-get-one-free offers, instant redeemable coupons, and premium packs He says they hurt sales of regular packs, and are bad all around. "They're ripping retailers off," penalizing them for the sake of the mass merchandisers who can't lose regular customers after sales because they're always discounting. Too many SKUs are tied up, and it's killing the items in inventory.

"They're confusing customers" who never know whether they're getting a good deal. And "they're going to catch up with manufacturers eventually. They're really self-destructive, when they think they're increasing movement. They're just making fast cash. If you have the good products, you don't need the deals. Look at Procter & Gamble. They don't jerk around. That's why they're number one."

Kyle speculates that the recent barrage of promotional deployments is due to the over-proliferation in categories such as cough remedies, eye-care products, and of course, mousses. He rattled off seven brands of mousses, and said that Jheri Redding alone has eight different kinds of mousse. "You can only cut the pie in so many pieces," says Kyle. It is the aggressive spending by the me-too upstarts, and the defensive spending by the established brands trying to protect their shares, that are causing this welter of promotions, he thinks. ■

—JEFFREY LENER

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VITAMINS/CONTINUED

Continued from page 152

their children's vitamins.

The natural versus synthetic vitamins issue is an area of seemingly unending controversy, especially among some manufacturers and consumers, although for retailers, their differences are usually simply those of display location and of allowing consumers a choice. Although he believes there is no difference in the way the body accepts and absorbs natural and synthetic vitamins, Tom Thumb's Kyle also recognizes that "there're a lot of consumers there that do—and that makes the difference. A lot of people like to think that if it doesn't contain preservatives it must be better for them."

Exactly *why* many consumers believe this and whether their beliefs are justified is often, however, a matter of raging controversy within the vitamin industry itself. While many companies, such as Pharmavite, Prime Labs and Hudson, make both natural and synthetic vitamins, others—notably Thompson, which prides itself on the "the purest, most natural vitamins available"—stick solely with naturals. Others manufacture only synthetics.

From a marketing standpoint, the evidence in favor of naturals seems to be compelling. Asserts Nature's Bounty's director of sales, Barry Drucker, "Natural vitamins are growing faster than synthetic, though there certainly is a consumer interest in buying synthetic vitamins."

Leif Schaumann, a senior consultant at SRI International, disagrees with such claims, believing that data regarding which type of vitamin sells best is conflicting. He does however, admit that naturals will probably gain in sales in the long run. This, he asserts, is not due to their superiority, but more to "a marketing hoax"—a "consumer mood hangover from the 70s."

To complicate matters further, there continues to be disagreement as to exactly *what* constitutes a natural vitamin, whether it should be defined in terms of lack of preservatives, artificial additives and sugar, or in terms of processing.

Most supermarkets will carry both when space permits. Often, however, their synthetic line is significantly larger, due at least in part to the lower price of synthetics. Grand Union (Elmwood Park, N.J.), for instance, is only just getting into natural vitamin sales, stocking them in the natural food centers in those stores that have them. In Schnuck, natural vitamins are carried only in those stores with adequate space available.

For retailers, the natural/synthetic debate has its parallel in deciding exactly where to place the vitamins within the store. As an increasing number of stores contain a pharmacy, the trend is often to place the vitamins there—and in greater quantity—as is the case at Meijer, Inc. (Grand Rapids, Mich.), where synthetic vitamins are given 12 running feet, 72 inches high. Naturals are given an additional eight running feet, for a total of 20.

At H.E. Butt (Corpus Christi, Tex.), conventional stores give four to eight feet, seven shelves high to vitamins, while those with a pharmacy devote a 14-foot wall plus an additional four to eight feet to the category.

Those stores that have a natural foods center tend to place a completely different line of vitamins there than those stocked in the pharmacy or the HBA aisle, although duplication does sometimes occur. For stores with neither a pharmacy nor a natural foods center, retailers fall back on the HBA aisle for space.

From the manufacturers' point of view, the "best place" for vitamins varies, as Thompson's Salerno sums up, adding that some stores, Safeway among them, have come to recognize this. But while Thompson and many other natural vitamin companies are fully in favor of the nutrition center concept, there are doubters. Theodore Negrin of Prime Labs asserts that the natural foods center should be only for food: "Health foods are health foods; vitamins are something totally different." SRI International's Schaumann echos the thought that vitamins should not be placed there, but for a different reason: "I'm not sure about this store-within-a-store concept. . . . I'm not sure it'll work.

Advertising and promoting practices also vary considerably, and are usually an intertwined reflection of an individual company's commitment to the category and of regional consumption trends. While a major North Carolina chain does very little advertising, and carries only 10–12 SKUs for an area they believe is "not a big vitamin area," Meijers in Michigan finds it a "very promotable category. We stimulate sales through chainwide promotions and sales," according to vitamin buyer Tom Hagan. He finds that "you get a little greater response to vitamins than most other categories when you advertise them."

In other areas, too, vitamin promotions, which once were low-priority, seem to be moving upward and becoming more creative. Tom Thumb's Kyle last month was gearing up for a back-to-school special on children's vitamins, an especially promotable sub-category.

Also in Texas, H.E. Butt's HBA buyer, Frances Gray has plans to increase category advertising and promotions in the future. During the past year, the company has significantly expanded its commitment to vitamins and is now ready to move beyond its couponing-only promotion strategy of the past. "Now that people know that we are the place to buy vitamins," she says, "we look forward for sales to really take off."

Among manufacturers, too, advertising trends have changed. While most used to advertise solely in the more "health-oriented" publications such as *Health*, *Prevention* and the like, they are now moving toward more mainstream publications. Believing, with Pharmavite's Kelleher, that "consumption of vitamins is now more broadly-based in the population," they are significantly increasing the advertising dollars they pour into consumer publications such as *Self*, *Family Circle* and *Woman's Day*. And as the overall market increases—or is expected to grow—several companies are putting more money into advertising than ever before.

Advertising and category promotion also take the form of POP materials. Although some companies would agree with Grand Union's vice president, corporate communications and consumer affairs, Donald Vaillancourt, that "the material is on the label," a large number of supermarkets that have made the vitamin commitment provide company- and/or manufacturer-generated information materials. Giant (Landover, Md.) offers a brochure detailing RDA and citing natural sources of various vitamins. Earlier this year, Ralphs Grocery Co. (Compton, Calif.) introduced its Vitamin Value pamphlet, which describes 22 vitamins and minerals. At the pamphlet's conclusion, mention is made of Ralphs' private label vitamins, and consumers are invited to "compare and save with Ralphs."

Information packages offered through channels other than at the point of purchase can also help supermarket vitamin sales. When Ledrele introduced its Caltrate 600 supplement earlier this year, it not only provided a free POP brochure, "The Calcium Crisis in American Women's Diets," but also offered the Caltrate Kit, which was featured in a two-page ad in several women's magazines.

For retailers, the future of the vitamin category looks bright. H.E. Butt's Gray sums up the general mood when she says, "Vitamins have done very well and will continue to do so." Although some areas of the country—most notably the west coast and the Northeast—have traditionally led the vitamin-consuming population, there is no one kind of person that constitutes the "typical" vitamin buyer and there is a general agreement that usage can be stimulated through education and effective merchandising. For Thompson's Art Salerno, the South, which has fewer vitamin consumers than other areas, is the "market with the greatest potential."

And for supermarket retailers across the country, there is a tremendous untapped potential in the 50–60 percent of Americans who do not currently take vitamins and other nutritional supplements. If the commitment is there, vitamins can be marketed very successfully, as some have already found. ■

—MARIANNE SKOCZEK

DIET FOODS/CONTINUED

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percent increase in diet food sales, which is about the storewide average," says McCoy. What makes the diet food section a difficult one to get a handle on for many chains is that within the category there is such variance in sales.

"There are many brands that want to enter the market," says van Vlerken, of Bi-Lo. "But you have to be careful what you take on because there are no guarantees that it will move. There are some very slow items in the diet area." This disparity makes it difficult for stores to allocate shelf space and requires them, if they are to serve their customers who have special needs, to devote space to items that are not top sellers, even though there is a need for more space for faster moving items.

In response to Estee's belief that aggressive marketing will result in a growth in sales for dietetic items, many retailers feel that diet food manufacturers do not support them with promotions. Many feel that prices are too high and that promotions, which would at least temporarily solve that problem, are needed to stimulate interest. It is more likely that as diet food manufacturers move in the direction of more general appeal, with increased numbers of items such as Lean Cuisine and Libby Natural Pack, that the diet food category will show more consistent growth. ■

—ROBERT MILLER

BRECK INTRODUCES THE MOUSSE THAT REMEMBERS.

In a marketplace already filled with a herd of mousses, there's solid reasoning behind New Breck® Styling Mousse. Breck Mousse contains "memory" ingredients to lock in style that lasts without sacrificing body, shine or natural-feeling hair.

BRECK APPEAL: New Breck Styling Mousse is priced 20% below other leading mousse products, giving Breck a strong price advantage to support our heritage of quality products at a good price.

And your sales will get a real boost from Breck's multi-million-dollar TV and print advertising and promotional campaign. Over two hundred million media-delivered high-value coupons, plus high-impact Point-of-Purchase floorstands. Stock up on the mousse that remembers.

NEW BRECK STYLING MOUSSE

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PRODUCE

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can be put inside containers and discarded during cleaning.

During the FMI seminar, a "Retail Food Protection Program Information Manual," issued in April of 1984, was reviewed. Although this does not have the force of law behind it, many of the points could well be adopted in legislation at a local, state, or national level. Some of these include employee training regarding sanitary practices, no smoking, eating, or drinking in areas where bulk foods are displayed, use of correct food dispensing utensils, proper supervision of children shoppers, etc.

Labeling is also trickier with bulk foods and there are specific regulations requiring proper identification on each bulk container including the required information that must be on the label of packaged products: Ingredients, use of artificial colors or flavors, chemical preservatives, etc.

In spite of these complications, most of them are logical. Enterprising and progressive retailers would follow virtually all of them in any case. It makes good sense to properly identify products and to present them in clean and appetizing containers, and to closely supervise the displays at all times.

In summary, the "new" cracker barrel bulk merchandising opportunity for retailers can start small and grow to tremendous proportions if it's handled right. The retailer today who is not into this kind of bulk operation is missing a major opportunity! ■

TOBACCO/CONTINUED

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satisfy the luxury segment, has settled in with an okay 0.7 percent market share. PM's Keim describes Players as "not a failure by any stretch of the imagination, but not another Merit either." (The company's Merit was a leader among the handful of new brands introduced by any of the tobacco companies to succeed during the past decade.)

Sterling, RJR's prestige brand, is described by Orlowsky as "doing very well since it was introduced nationally in April. We're feeling very positive about it," he says. "It's growing on a monthly basis."

Liggett & Myers has been carefully exploring the viability of positioning an ethnically targeted cigarette brand over the last year. Of its two full-flavored candidates—Dorado, which has been in test in Albuquerque and Santa Fe, N.M., and Superior, which has been trying out in such Texas cities as Brownsville and Corpus Christi—Liggett's Grant says, "Dorado is the better deal of the two." A 100 mm version has just been added to the Dorado test.

Grant stresses that when the time is right the brand will not expand to full national distribution, but will be confined to areas with above-average Hispanic population. The company, however, has avoided tilting Dorado completely towards Hispanics as this full-flavored brand also appeals to many Anglos.

What's black and white all over and possibly the subject of an upcoming red-hot court battle? The answer is generic cigarettes. While the term generic cigarette has long been virtually synonymous with Gary Tobacco, a subsidiary of Liggett & Myers, a challenger—in the form of Brown & Williamson—has entered the ring.

B&W announced its intention to market generic cigarettes in the latter part of May, and shipped its first product into the Nashville/Knoxville zone in mid-July, according to the company's Mark Ahearn.

Liggett & Myers followed by filing a suit against B&W in District Court in Durham, N.C.

While both sides are constrained in what they can say at this time, it's believed that the suit charges both infringement on trademarks and predatory pricing.

"We intend to defend our right to compete very strongly in the courts and in the marketplace," Ahearn asserts. "So we're committed."

L&M's Grant says the action was taken in defense against "infringements on our trademarks and packaging."

While intra-industry shootouts rage in both the marketplace and the courthouse, the arrows of surrounding enemies rain down on the circled wagons of the tobacco manufacturers.

The "Smoking or nonsmoking?" query has spread from airline counters to many restaurant reservation desks. Referenda on smoking in public places often incite more partisanship before Election Day than do contests for public office.

Under a recent compromise agreement between Congressional leaders and the tobacco industry, the present health warning on cigarette packages would be replaced by four new warnings used on an alternating basis.

But the combustible combination of tobacco and politics has put the truce on hold for the moment as Republican Senator Jesse Helms of North Carolina, facing a strong challenge from Gov. James B. Hunt, his Democratic opponent, tries to tie the labeling provision to limits on tobacco imports.

Over the years The Tobacco Institute, which lobbies for the industry in Washington, has been the industry's voice of rebuttal against its opponents. For the first time, however, an individual tobacco company, R.J. Reynolds, has sought to answer through advertising what it deemed some of the more one-sided and unfair attacks against the industry.

Besides putting its money and prestige on the line in this campaign, which counters the assumption that "the case against smoking is closed," RJR's Chairman, Edward A. Horrigan, Jr., has stood up to critics on forums like ABC's "Nightline" and NBC's "Today."

David Fishel, a company spokesperson, says that public response to the campaign has been favorable, and that the company will run new ads.

While overall cigarette sales may bump up or down a percentage point over the next few years, no major potholes are anticipated. The large price increases of 1983 aren't likely to be repeated (in fact, the federal excise tax is scheduled to drop down again next year). ■

—ROBERT DIETRICH

AUTOMOTIVE/CONTINUED

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tools or parts."

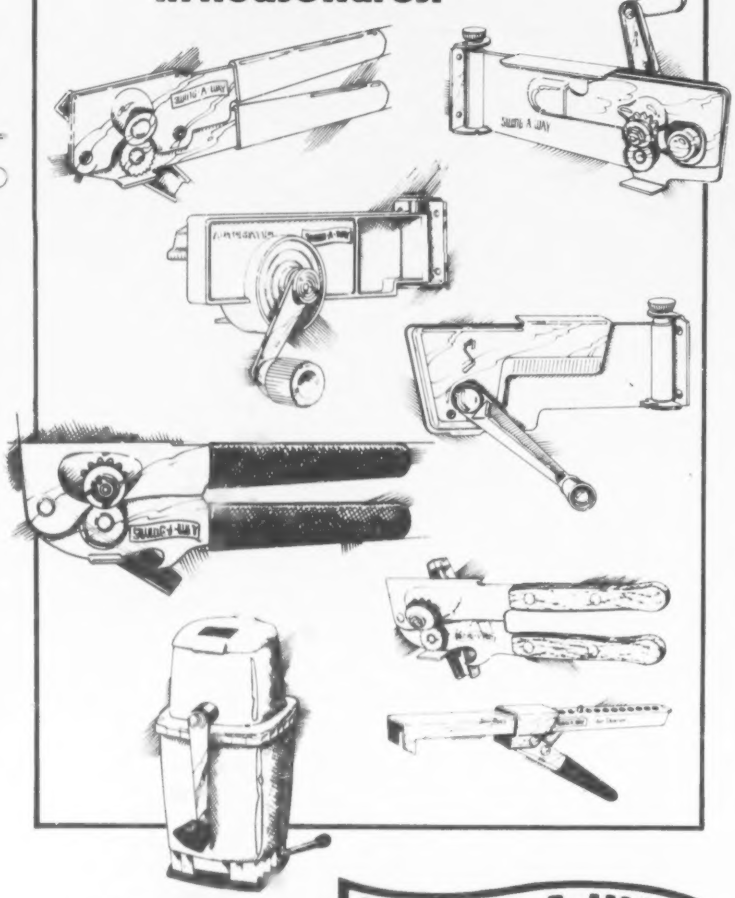
Suppliers are unanimous in believing supers miss many opportunities for auto supplies sales by failing to do that—exploit competitors' weaknesses—and by overlooking the all-important need to let the public know what they are stocking.

As oil is the "commodity," or most-wanted item, in the category, says Certified Grocers' Jerry Friedler, it should be advertised "constantly." Among suppliers sharing that viewpoint is STP's national food sales manager, Roland Roedler.

He contends that if supers are to even begin to realize the potential for sales in the auto supplies section "they must watch product movement, and concentrate on the leaders within each category. Doing that will mean there's ample room—even in a smallish department—for their units to develop a high-volume approach to this category." ■

—DOUG HARRIS

One of the best-known, best-selling brands in housewares.



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NATURAL FOODS/CONTINUED

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they are approximately equal in size. It is interesting to note that Biles does not think consumers are buying bulk foods because of the health value, even though many of the items could be labelled health foods.

Giant Food, Inc., based in Landover, Maryland, with 132 stores in the mid-Atlantic states, was a forerunner of natural foods in supermarkets, establishing one of the first nutrition centers on the East Coast. The last year has been "a year of transition," according to Linda Ludemann, buyer/merchandiser for the chain. "We've reduced the total number of natural products in 16 stores but the consolidated sections are doing very well," she said.

Sales in the natural products area "are not super," according to Ludemann, but do well depending on the location of the store. Giant has found that senior citizens as well as young professionals and white-collar families are the most frequent natural foods buyers.

The success of natural foods sections varies with region of the country to some extent, and there seems to be some indication that perhaps, for some consumers, it is a matter of a trend running down. In California, for example, where natural foods in supermarkets first got started, there are signs of waning interest.

In other areas of the country it is still too early to tell. Johnny McDade, grocery buyer for Piggly Wiggly Southern, Inc. (Vidalia, Ga.) reports that the natural foods category is just beginning to catch on in the Southeast. "The category is a plus for us," he says. Typical of many chains incorporating bulk and natural foods in their stores, Piggly Wiggly does little promotion of the items in its 75 stores.

Glen Kielbowicz, grocery buyer for Bormans' Inc. (Detroit), also says that natural foods are just beginning to catch on. "There is enough consumer awareness for us to introduce natural foods in five of our stores," he says. Bormans' operates 99 stores in Michigan.

In addition to those sold in bulk, packaged natural foods have also been added to many supers' shelves. Harvey McCoy, a buyer for H.E. Butt Grocery Co. (Corpus Christi, Tex.), notes that natural items are growing in popularity, particularly chips and Health Valley products.

Manufacturers in the natural foods category tend to be local and many of them very new to the supermarket business. One company that has grown quickly, however, is Health Valley, located outside Los Angeles. Health Valley is one of many producers that started out small. But, while many stay small, with local or regional distribution only, Health Valley now markets some 300 items across the country and to much of Europe. All of Health Valley's products have at least 40 percent less salt than regular products of the same type and 100 of them have no salt at all. The product list ranges from cereals and cookies to soups and entrees.

Recent products produced by the company include Soy Moo, a milk substitute that comes in plain and carob flavor, Honey Jumbo Cookies, in three flavors, and Amaranth Graham Crackers. Amaranth is a Mexican plant which, according to a company spokesperson, is derived from grain used by the Aztec Indians and contains higher amounts of protein than most other cereal grains. Health Valley claims to be the only manufacturer of amaranth products.

While several large manufacturers of bulk food items supply the majority of natural foods to supers, brand identification is minimal, if existent at all, from the consumer's viewpoint. Otherwise, major manufacturers have been slow to enter the field, doing so largely in the snack area of natural foods, and to some extent bran cereals as well. Nature Valley, distributed by General Mills, produces Granola & Fruit Bars and Granola Bars. Quaker Oats manufactures Chewy Granola Bars. But for the most part, natural foods manufacturers remain small.

One area of concern for consumers as well as chain buyers is the display of natural foods. In older stores and in those with small selections of natural foods, they are often mixed in with regular products. While this practice has been fairly successful, it is not favored by suppliers.

Vons Grocery Co. (El Monte, Calif.) has created a mini-natural foods section through the use of small displays that carry approximately 45 items. Other chains, with as many as 3,000 natural food items to display, are creating natural food centers with names such as Wegmans' Super Naturals, Giant's Health Food Shoppes and Stop & Shop's Natural Harvests. Often special lighting, shelving materials and display configurations are used to distinguish the section from the rest of the store and to attract shoppers. ■

—ROBERT MILLER

GREETING CARDS/CONTINUED

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customers. (American also puts all merchandise on display in smaller-volume stores, but, says Wynn Weaver, "we feel we need the reserve stock to meet traffic demands in busier facilities.")

Halvorson contends that, as well as reducing the retailer's inventory investment, Everything Up Plus and a companion system, Everything Cubed, "allows customers a greater selection in a given amount of linear space—because we display cards where the drawers used to be." Asked if that increases the likelihood stock will be depleted between visits by his people, he said, "It's our job to make sure it isn't."

Retailers such as Harris-Teeter (Charlotte, N.C.), which stocks Buzza cards in some stores and Ambassador cards in others, and Publix (Lakeland, Fla.) which, in its Miami Division, stocks both of those kinds of cards plus American Greetings' offerings, obviously aren't totally convinced that either the "everything up" or the drawer-storage system is far-and-away better than the other.

Bob Goodale, sr. v.p., sales and merchandising at Harris-Teeter, says he buys from two manufacturers "because we don't like to put all our eggs in one basket." In terms of quality and service, he adds, the two suppliers "are reasonably competitive."

Bob Burkett, assistant to the director of store operations at Publix's Miami Division, says his company decided to split the business among the three major suppliers "as a means of determining which was best." That was some time ago. In the meantime, Buzza has earned the most praise "both from managers and from our accounting people," Burkett says. (American Greetings, by comparison, "more than slightly upset" some people by delivering some seasonal cards as much as six months ahead, he notes.)

A retailer that, for space reasons, concentrates on seasonal and special occasion cards is Market Basket (Nederland, Tex.). "We're a conglomerate of take-overs," explains Leroy Graeter, v.p. store operations, who notes that he's presently able to fit cards into only "around one-half" of his company's 26 stores. Some once were A&Ps, others were Weingarten's—and all are small stores, he says. His principal supplier is Buzza, which "agreed to come in with smaller sections than they would have liked, when I was attracted to a new display fixture of theirs at the FMI show," Graeter notes, adding that that fixture is a 12-foot "upfront unit." On that, he can run in-and-outs on seasonal lines—and "it's working good; when you're pressed for space, anything works good."

He's right about the major card companies not liking to go into stores with a display that's too small. "Sure, retailers with only small stores would like us to," says one manufacturer's spokesperson, "but, frankly, we'd rather let a jobber have the headaches that tend to come with the smallest accounts."

Even if a store is small, says Gerald Boxler, general manager of the two-store U-Save Super company based in Sterling, Colo., it's worth trying to find space for cards—and a supplier for them. "They provide a good profit return," he says. ■

—DOUG HARRIS